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## THE BUSINESS OUTLOOK

The slowing down in the rate of advance in business activity is reflected in the preliminary December monthly business index, which is unchanged from the November level. The situation with respect to individual industries is highly irregular, with some showing declines, some showing unexpectedly good gains, and some of those which have been lagging finally beginning to show recovery. Action of Congress on WPA is moderately encouraging.

On account of the late date on which the publication of our business index falls this month (Jan. 25), we give below in Table I a preliminary summary of the figures thus far available, which indicate that there was no change in the combined index from November to December.

TABLE I. THE ANNALIST INDEX OF BUSINESS ACTIVITY

	Dec.	Nov.	Oct.
Miscellaneous carloadings	96.0	90.9	76.4
Other carloadings	90.7	90.8	91.8
Electric power production	*99.8	98.9	97.9
Steel ingot production	85.1	95.4	74.5
Pig iron production	91.5	85.4	73.8
Cotton consumption	128.4	123.4	108.3
Wool consumption	132.1	97.4	97.4
Silk consumption	71.9	78.7	64.6
Rayon consumption	86.6	100.4	100.4
Boot and shoe production	139.0	128.3	101.3
Automobile production	*109.0	114.5	101.3
Lumber production	76.0	68.3	74.2
Cement production	71.6	64.8	64.8
Zinc production	78.7	73.4	63.8
Lead production	79.0	60.2	60.2
Combined Index	*95.2	95.2	88.8

\*Subject to revision.

The slowing-down in the rate of advance in business activity which occurred in December is now fully evident in the monthly statistics. Of the ten components of our monthly business index for which December figures are available, four declined.

Judging by weekly figures, the decline in the index of steel ingot production which began in December has continued thus far in January. There is some disagreement among the various reporting agencies as to the precise level of current steel mill operations in per cent of capacity, but it appears that on a seasonally adjusted basis steel mill activity declined in the week ended Jan. 14 and is likely to show a further decline in the week ending Jan. 21.

Our index of automobile production declined in the week ended Jan. 14. Figures are now available on new car and truck

registrations in eighteen States, and they indicate that our estimate of December registrations of last week was slightly too low, so that instead of declining slightly on a seasonally adjusted basis they rose slightly.

The most striking December development, however, was the further sharp rise reported in construction contracts. On a seasonally adjusted basis the total for all classes of construction was the highest since June, 1930, so that our three-month moving average has risen to a new high record since July, 1930. All of the December increase was in publicly financed construction.

A striking example of the extent to which the current volume of heavy construction is being financed by the Federal, State and municipal governments (presumably mostly Federal) is afforded by the engineering contract figures compiled by The Engineering News-Record for the week ended Jan. 12. Of a total of \$119,726,000, which was the highest of any week since May 13, 1930, \$109,745,000 was public and \$9,981,000 private.

Machine tool orders were sharply higher in December. This is considered encouraging in view of the fact that until December machine tool orders had been lagging rather badly relative to the advance in the index of general business activity.

Although silk consumption declined in December, it was reported that mill takings in the first half of January had shown a sharp increase, and raw silk prices have advanced sharply. Cotton consumption seems to have held up remarkably well in view of recent talk of curtailment. Rubber consumption was higher in December.

The December copper statistics were poor, showing a further decrease in do-

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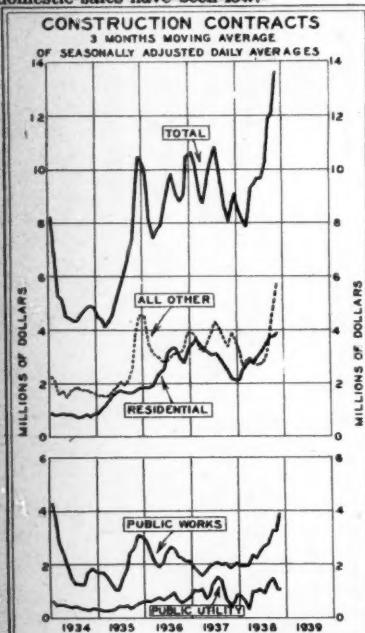
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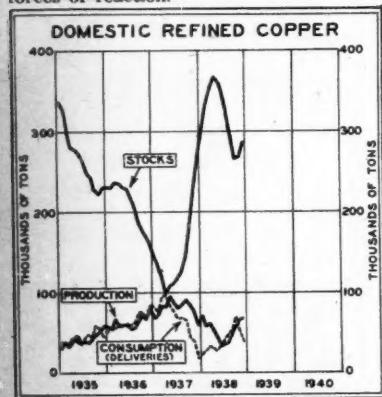
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mestic consumption and a further upturn in domestic stocks. The story now is that domestic consumers are holding back in the expectation of a price reduction, hence that consumption will show a spurt (a) when, as and if the price is reduced or (b) when, as and if the leading consumers decide they had better not wait for a reduction. Thus far in January producers' domestic sales have been low.



Source of raw data: The F. W. Dodge Corp.

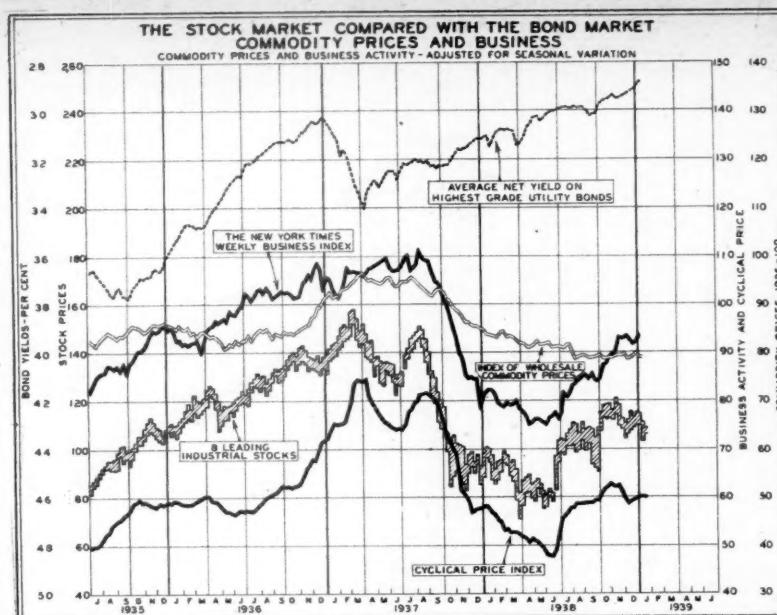
Our cyclical raw material price index has remained practically unchanged, although there has been a slight advance in steel scrap prices which was offset by a decline in hide prices. This unusually prolonged horizontal movement of the raw material index perhaps reflects as well as anything else the prevailing deadlock between the forces of recovery and the forces of reaction.



Source: Copper Institute.

The most favorable politico-economic development of the week was the action of the House of Representatives in approving a WPA appropriation of \$725,000,000 instead of granting President Roosevelt's request for \$875,000,000. The lower sum still has to be approved by the Senate, and in any case \$725,000,000 is no mean sum to appropriate in view of the present level of the indices of business activity, industrial production and construction activity. It amounts to an average of \$145,000,000 a month, which, as shown by Table II, is more than was spent by the WPA in nine months of 1937 and the first two months of 1938.

But it is a distinct advance that such a large majority of the House of Representatives were able to withstand the pleas of the Workers' Alliance, the C. I. O., and Mayor La Guardia. It is also highly encouraging that the relief bill as passed by the House contains a provision prohibiting the President from putting the administrative staff of the WPA under the civil service. This was one of the most



vious proposals that the New Deal has yet tried to put over on an unsuspecting public. What the public is not thoroughly aware of is that all WPA consists of two parts.

One part comprises the project workers, who get a bare subsistence wage, except to the extent that some of them work surreptitiously for private emoluments on their numerous days off or have other sources of income.

The other part comprises the administrative staff, many of the members of which are well paid, some of them better paid than in any occupation they ever had in previous employment, and most of them political appointees. It is the average pay of the administrative staff that pulls up the average for the entire WPA and facilitates misleading comparisons of the average WPA wage and the average home-re lief payment.

In an address in Brooklyn Mayor La

Guardia told WPA executives: "You did more than build sewers, roads and buildings; you kept up the morale of nearly 200,000 working men and women, you kept up their spirit, maintained their skills, and, above all, you kept them good Americans." But some in a position to know are none too sure about the WPA morale. And at another meeting in Brooklyn Lieut. Col. Somervell said that the WPA rolls in New York City total about 175,000 workers, of whom 125,000 are on construction projects. So that if we are to believe both of these statements we shall have to believe that in New York City alone there are 125,000 construction workers who are having their skills preserved by being kept on construction work. This is obviously absurd. And the worst of the whole matter is that after nearly six years of attempting to deal with the problem of unemployment relief, no adequate attempt has ever been made

to secure a periodical census of the unemployed, so that the Federal Government does not even have any working knowledge of the problem it is trying to meet.

From now on, however, the WPA is to be administered by an army officer so that apparently there is less chance that the

TABLE II. THE WPA

	Cost* (Millions.)	Number Employed† (Thousands.)	Business Index
1937.			
January	\$146	2,462	104.3
February	133	2,394	105.7
March	163	2,355	106.9
April	146	2,356	107.1
May	138	2,416	109.0
June	144	2,305	107.8
July	127	2,070	108.9
August	108	1,806	111.2
September	99	1,729	106.5
October	100	1,721	98.4
November	100	1,752	87.8
December	115	1,854	81.3
1938.			
January	103	2,056	79.5
February	106	2,221	78.5
March	145	2,547	77.5
April	146	2,770	74.2
May	159	2,930	73.9
June	166	3,055	74.4
July	172	3,269	79.0
August	193	3,181	82.8
September	194	3,238	85.2
October	207	3,245	88.8
November	194	13,078	95.2
December	219	13,078	95.2

\*Daily Treasury Statement. †Monthly Labor Review. ‡WPA.

WPA appropriation will be illegally disbursed in excess of the rate specified by the Congress. But this favorable development is partly offset by the fact that on July 1, 1939, more relief money will be needed, which means that the problem will have to be met by the present session of Congress. Hence another huge relief appropriation for fiscal 1940 is inevitable unless business activity improves at a rate not now visible or unless the Congress is able in the short space of less than six months to bring about far-reaching reforms in the unemployment relief system.

D. W. ELLSWORTH.

## Weekly Business Index

The following tables give technical data on the construction of the weekly business index covering the first quarter of 1939. No important changes have been made in methods of computation, except that automobile production and cotton mill activity have been put on five-day bases, i. e., in computing the daily averages the normal number of days in the week is considered five instead of six as formerly. Estimated normals have been changed to new average daily bases to conform and to preserve statistical continuity.

TABLE I. NUMBER OF BUSINESS DAYS

1939.	Week Ended:	Car- loadings.	Power.	Auto.	Lumber.	Cotton.
Jan. 7.	5.2	5.97	4	4.6		5
Jan. 14.	6	6.51	5	6		5
Jan. 21.	6	6.44	5	6		5
Jan. 28.	6	6.44	5	6		5
Feb. 4.	6	6.44	5	6		5
Feb. 11.	6	6.44	5	6		5
Feb. 18.	6	6.40	5	6		5
Feb. 25.	5.7	6.38	5	6		5
Mar. 4.	6	6.42	5	6		5
Mar. 11.	6	6.43	5	6		5
Mar. 18.	6	6.43	5	6		5
Mar. 25.	6	6.43	5	6		5
Apr. 1.	6	6.42	5	6		5

TABLE II. SEASONAL INDICES

1939.	Week Ended:	Car L'dgs. Tot.	Misc.	Steel.	Pwr.	Auto.	Lmbr.	Cot.
Jan. 7.	91.5	87.7	93.5	103.6	114.0	78.5	103.8	
Jan. 14.	90.8	87.8	96.6	101.3	112.5	77.0	100.3	
Jan. 21.	89.8	88.9	96.7	101.2	112.6	78.5	99.8	
Jan. 28.	88.9	88.9	101.8	100.7	104.9	78.5	99.8	
Feb. 4.	91.8	85.4	103.3	93.9	93.8	79.0	106.8	
Feb. 11.	91.3	89.5	104.9	100.2	102.7	81.5	105.3	
Feb. 18.	93.3	93.0	105.4	101.1	102.7	87.0	107.3	
Feb. 25.	93.5	93.0	106.4	98.7	104.7	86.5	104.3	
Mar. 4.	94.2	96.5	106.4	97.9	110.6	92.4	104.6	
Mar. 11.	94.9	95.2	107.4	97.9	110.6	97.5	103.7	
Mar. 18.	94.5	97.8	108.4	98.2	118.5	97.5	103.7	
Mar. 25.	94.9	100.3	108.4	98.1	123.5	100.2	103.7	
Apr. 1.	94.2	102.2	108.4	97.2	128.4	96.9	102.8	

Periods used as bases: Total loadings, December, 1931, to November, 1938; miscellaneous loadings, January, 1935, to November, 1938; steel, December, 1930, to November, 1938; auto, January, 1935, to November, 1938; lumber, December, 1931, to November, 1938; cotton, December, 1931, to November, 1938.

TABLE III. ESTIMATED NORMAL

1939.	Week Ended:	Load. *Power. †	Load. *Power. †
Jan. 7.	56.0	359.1	361.6
Jan. 14.	56.0	359.4	361.9
Jan. 21.	56.0	358.8	362.3
Jan. 28.	56.0	360.1	362.6
Feb. 4.	56.1	360.5	363.0
Feb. 11.	56.1	360.8	363.3
Feb. 18.	56.2	361.2	363.3

\*Thousands of cars per day. †Millions of kwh. per day. Other loadings: 72,000 cars per day. Steel: 60% of capacity. Auto: 16,858 cars and trucks per day. Lumber: 46,018,000 board feet per day.

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JAN 18

# An Outline of the Role of Silver in World History, And in America, to 1893

By NEIL CAROTHERS

Professor of Economics and Dean of the College of Business Administration,  
Lehigh University

*This is the first of a series of six articles on Silver in America.\**

THE purpose of this monograph is to present to a group of intelligent bankers the exact truth about silver as money. It is intended to present the facts in such a way that they will provide an answer to any question that might be asked about our silver policy.

This very purpose involves two embarrassments. The dramatic developments in silver in our time are incomprehensible unless the history of silver in America is understood. This means that we must rake the dry bones of forgotten history. Some of the discussion is highly technical, but the writer urges the reader to study these technical aspects. The whole problem of silver derives from the unhappy fact that in the dim obscurity of these complex technicalities unwise silver measures can obtain the approval of Congress and the President.

The other embarrassment derives from the relation of silver to government. This writer would prefer to make this discussion purely economic. It is not possible. It is necessary in the beginning to state bluntly that there is no monetary issue in silver. The issue is political. It is not a pleasant task to set down the ugly facts of the relation of silver to politics, but it is a patriotic duty to do so. It is the failure of informed economists and financial authorities to expose these facts that permits the passage of injurious silver measures.

## The Political Background

Some years ago this writer made the first thorough study of silver coinage in America. He was startled to discover that long before the Civil War, even before the silver-producing territories had achieved statehood, Treasury action was dictated by pressure of silver owners. In the seventy years since the Civil War unnatural subsidies to silver have been repeatedly granted by Congress. These measures will be described later. In this long period, in one session after another, there have been introduced in Congress hundreds of bills containing some clause or joker aiding silver. In times of war and depression the pressure for these subsidies has been incessant.

When the bills passed in aid of silver from 1873 to 1935 are analyzed, it seems incredible that any government could have been driven to their enactment. The explanation is wholly political. The only States that produce silver in any volume are, in order, Idaho, Montana, Utah, Arizona, Colorado, Nevada and New Mexico, States of sparse population and limited economic activities. Nevada, whose Senators have been outstanding factors in the drive for silver subsidies, has a population less than that of Paterson, N. J. But these seven States have fourteen Senators, one-seventh of the total membership. Power in the Senate depends on seniority, and Senators from silver States are continuously re-elected until they achieve powerful committee positions. Politically silver is wholly nonpartisan. For more than sixty years the silver representatives have been a powerful, unified bloc. On any close division of interests they hold the balance of power. They have used this power mercilessly, trading upon it

\*THE ANNALIST has wanted to present to its readers a clear and comprehensive analysis of the vexed subject of silver. It has found such an analysis in a monograph prepared by Neil Carothers in 1936 for the Association of Reserve City Bankers. The Association of Reserve City Bankers has courteously authorized us to reprint this material as it appeared, except for a few changes called for by the passage of time or the different conditions of publication. The first five of these articles will constitute the reprint. In the sixth and final article Dr. Carothers will bring the story of silver to date.—Editor, THE ANNALIST.

with any other interest that would serve their ends.

As an industry silver is of little consequence. The total value of the year's production in this country in 1933 was \$8,158,000. In normally prosperous years it averages around \$35,000,000. But even this small value does not represent a proportional employment of labor or investment of capital, for silver is overwhelmingly a by-product of the mining of copper, zinc and lead. Since silver comes from mines producing silver only, from mines producing silver and other metals about equally, and from mines in which silver is incidental, it is impossible to determine the exact number of wage-earners engaged in silver mining. The number normally engaged in exclusive silver mines, perhaps 3,000, makes it about as important from the standpoint of employment as the business of fortune-telling. The additional numbers engaged in mixed mines are larger. But as an employer of labor the silver-mining industry in America ranks with the toy train, the bottle cap, or the suspender industries.

Being essentially a by-product, most of our silver output represents almost net profit to its producers. The nonferrous metals industry in America is dominated by a few rich and powerful mining and smelting corporations. These corporations not only control the production of silver in this country but they also dominate the production and smelting of silver throughout the world, controlling about 60 per cent of all silver mined on earth and about 70 per cent of the smelting of world silver. A rise in the world price of silver means little to the peoples of the Western States. It means larger dividends to rich New York corporations. The popular impression that the pressure for silver subsidies comes from the people of the West is mistaken.

Silver has an important place in industry. It is widely used in tableware, photography, motion picture manufacture, silver plating and jewelry. An artificially induced increase in the price of silver is a tax on the whole American people for the benefit of a little group of speculators and stockholders.

## Silver in World History

The Romans had a kind of crude bimetallism, with silver rated at around 12 to 1 for gold. As the European nations emerged from the Dark Ages they established bimetallism, at varying ratios. Through the centuries gold slowly came into general use, and the value of silver slowly declined, from 12 to 15 to 1. For 500 years the nations struggled to make bimetallism work. They failed, despite recoinages, debasements and constant shifting of ratios. The market ratio would not stay in accord with the legal ratio, and one metal or the other was always vanishing. Throughout recorded history bimetallism has been an expensive failure. For centuries nations continued to struggle with it for just one reason—no one had thought out any way to create without bimetallism a small silver coinage for retail trade.

In 1816, quite by accident, England developed a simple method of creating an ideal coinage of silver for small change. She adopted the single gold standard, stopped the free coinage of silver, and manufactured subsidiary silver coins by

"debasement" them and selling them at a profit for gold. In 1834 the United States passed a law which made further silver coinage impossible, putting the country on a "de facto" gold standard, and subsequently the whole world gradually came to this single standard. All of Europe, all of Latin America and all the Orient except China adopted either the gold standard or some special variation of it such as the gold-exchange standard. China remained on the silver standard. Elsewhere silver ceased to be a basic money. Because people have long been accustomed to small change coins containing silver, nations have continued to use silver, precisely as they use copper, nickel, aluminum and tin, as a base metal in "token" coins for local use. The reader must keep these facts in mind throughout the remainder of this monograph.

## Silver in America Before 1873

In 1792 Alexander Hamilton established a bimetallic coinage system for this country. Knowing no other method of creating a small change coinage, he had no choice but bimetallism. He established two units, a gold dollar of 24 $\frac{1}{2}$  grains and a silver dollar of 37 $\frac{1}{2}$  grains, making the ratio 15 to 1. The silver dollar has had this weight to the present day. Hamilton's coinage system was a failure. The market ratio was nearer 15 $\frac{1}{2}$  to 1, and it was unprofitable to coin gold. For 200 years the colonists had used Spanish silver coins. Our new silver coins were of approximately the same size and values. But the Spanish coins in circulation were badly worn and clipped, and taking them to the mint for recoinage into American silver pieces involved heavy loss. There was no significant coinage of gold or of silver, and for forty years the American Mint was a costly failure. President Jefferson discovered in 1806 that the few silver dollars coined up to that time were only for export to Jamaica and ordered the coinage stopped. There were no more silver dollars coined until 1837.

After 1830 there was a movement to change the ratio and improve the coinage. It was hoped that changing the coinage ratio to the market ratio would make bimetallism work. The market ratio was 15%. A bill establishing this

ratio, universally approved, was on the point of passage when there was suddenly introduced and rushed to passage in 1834 a bill establishing a ratio of 16.002 to 1. Some petty gold mines had been discovered in Georgia and North Carolina. Giving gold a legal ratio of 16 to 1 was a small debasement of the coinage that would for a time give the owners of these mines an unnatural profit. For technical mint reasons the ratio was very slightly changed in 1837. The gold dollar was given a weight of 23.22 grains. With the silver dollar at the original weight of 37 $\frac{1}{2}$  grains, the legal ratio was 15.988. This ratio of 15.988 is the familiar "16 to 1" of later days. The gold dollar was not changed again until 1934. Twice in American history our coinage unit has been debased, in 1834 under Jackson and exactly a hundred years later, in 1934, under Roosevelt.

The laws of 1834 and 1837 put this country on the gold standard. A debasement scheme engineered by a secret conspiracy of dishonest Congressmen for the benefit of trivial little mines changed world history. With England on the gold standard after 1816 and this country after 1834, its adoption by the rest of the world was a foregone conclusion.

With a market ratio of 15% and a coinage ratio of 16, gold poured into our mints, but silver could be coined only at a prohibitive loss. Silver coinage continued to be very small. At intervals the market ratio moved toward 16 to 1, and silver coins, badly needed for small change, could be produced for short periods at small loss. But the country continued to depend on Spanish silver. When the market ratio was not much against silver a few thousand silver dollars would be coined. But every such dollar was worth from \$1.01 to \$1.04 in gold, and the dollars never circulated. Apparently they were coined solely for export to China.

Gradually the unfair ratio choked off silver coinage completely and, what was worse, halted the flow of Mexican coins. By 1853 the country was starved for small change. In that year Congress discovered the British system. The free coinage of silver pieces from 3 cents to 50 cents was abolished, and the coins were made subsidiary. The gold standard established in 1834 was now perfected by a "token" silver coinage. Unhappily, the law made no mention of the silver dollar. The piece was totally unknown to the people or to Congress. It had never been in circulation in American history. It was too clumsy to be made a subsidiary coin.

Continued on Page 72

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# The "Secret Debts" and Other Aspects of the German Government's Financing

Mr. de Wilde returned in December from eight months' study of conditions in Germany.

In many respects the National Socialist regime in Germany has astounded the world. Not the least surprising has been the way in which the Nazis have confounded their critics in the economic field. Instead of collapsing, the German economy has experienced a great boom. Industrial plants are operating at or near capacity, and unemployment has given way to widespread scarcity of labor. While the rest of the world was suffering from depression in 1937-38, German production was setting new high records.

This German recovery has been achieved at the expense of ever-increasing regimentation of capital and labor, of industry, agriculture and foreign trade. The productive energies of the country and its people have been enlisted in carrying out many public tasks simultaneously. The regime embarked on large-scale public works, including the construction of a network of automobile highways and the partial rebuilding of Berlin and other German cities. It built up a large and well-equipped army and air force, as well as an efficient navy, and has continued to strengthen its armament. In the interest of greater self-sufficiency in time of war it has mobilized agriculture and set up many new industries to supply vital raw materials which it lacks. At the same time, it has had to take measures to ameliorate the housing shortage and maintain the volume of production in the consumer goods industries. Carrying out all these tasks has required a tremendous amount of labor and placed a considerable strain not only on the country's financial resources, but also on its balance of international payments.

## The Prophecies of Collapse

For a number of years critics freely predicted that a financial collapse would put an end to the Nazis. The government's need for money appeared insatiable. The secrecy in which the budget and public debt were veiled brought forth most fantastic estimates on the volume of expenditures and the extent of government indebtedness. Unorthodox methods of financing gave wide currency to prophecies of inflation. Critics generally forgot, however, that the government's tight control over foreign exchange, its close supervision of prices and its monopoly of the capital market enabled the Nazis to employ methods which other countries could not afford. They overlooked, too, that the burden of financing certain tasks, such as the Four-Year Plan for greater economic self-containment, fell primarily on private enterprise rather than the government. And, above all, the critics underestimated the financial sources which the Third Reich could tap.

Undoubtedly public expenditures have risen with phenomenal rapidity. According to a reliable private German estimate, made in the middle of 1938, the disbursements of the central, provincial and local governments of the Reich, including the State Labor and Unemployment Insurance Office, will probably exceed 32 billion reichsmarks during the current fiscal year, ending March 31, 1939. This total, which excludes Austria and Sudeten Germany, compares with expenditures of 21.8 billion in 1929-30 and 15.9 in 1932-33. How did the Reich manage to raise this money? It came from a sharp rise in income, from savings in unemployment assistance and increased borrowing.

Extravagant estimates of Germany's public indebtedness are largely due to ignorance of the extent to which the Reich, particularly in more recent years, has been able to finance its needs out of

current income. Governmental receipts, excluding the yield of credits and loans, rose from 14.9 billion reichsmarks in 1932-33 to 24.2 billion in the last fiscal year. During the first five years of National Socialism current receipts in excess of the 1932-33 level aggregated no less than 23 billion marks. Part of this income came from the Reich Labor and Unemployment Insurance Office, which became more and more a direct agency for the financing of government enterprises. Part was derived from government-owned utilities, mines and industries, as well as public domain. Most of the increased income, however, was accounted for by taxes and customs receipts, which rose from approximately 10.2 billion in 1932-33

able to the Reich for public works and rearmament.

The extent of governmental borrowing is more difficult to estimate. Official figures reveal an increase in public indebtedness, both national and local, of only about 6 billion reichsmarks during the five-year period ending March 31, 1938. In part this small figure is due to the fact that the foreign debt declined approximately 2.6 billion reichsmarks, of which about 1.5 billion is attributable to the depreciation of foreign currencies. In addition, about one billion of the local and provincial government debt has been retired. The net proceeds from borrowing must therefore be put at 7.5 billion reichsmarks. Heavy borrowings for the Rhineland fortifica-

tion of the Nazi regime totaled 6.7 billion marks. Undoubtedly a considerable portion of such bills has since then been displaced by government paper. Judging from the available evidence and the best private estimates obtainable in the Reich, it is unlikely that the government raised much more than 15 billion reichsmarks through this type of short-term financing.

Summing up, the funds available to the Third Reich for its "extra" expenditures over the five-year period ending March 31, 1938 were drawn from sources as shown in Table II. Assuming a net in-

TABLE II. SOURCES OF EXTRA GERMAN EXPENDITURES IN FIVE YEARS ENDED MARCH 31, 1938 (Billions of Reichsmarks)

Increased current income.....	23.0
Savings in unemployment relief.....	7.4
Publicly acknowledged borrowing.....	7.5
"Secret" borrowing.....	15.0
Total.....	52.9

crease in the public debt of about 6 billion during 1938-39 and a further rise in current income of about 3.8 billion, the total of "additional" funds by the end of the present fiscal year should amount to 72.0 billion reichsmarks. In other words, the governmental bodies of the Third Reich will have spent this huge sum in six years to defray the extraordinary costs of public works, rearmament and additional administrative expenses.

## The Future

Can Germany afford to continue this rate of expenditure? While it has met with no insuperable obstacles in raising the necessary funds up to the present, the difficulties are likely to multiply in the long run. With labor reserves practically exhausted and industry operating at near capacity, a continuation of the phenomenal increase in production is problematic. Although the tax and customs revenue of the central government was over 20 per cent higher in the first half of the current fiscal year than in the corresponding period of 1937-38, a further increase in the tax yield is hardly to be expected in view of the difficulty of substantially stepping up production. True, the tax rate might be increased. Only recently the corporation tax on companies whose income exceeds 100,000 Reichsmarks was raised from 30 to 35 per cent for 1938, and to 40 per cent for 1939 and 1940. When the *Gewerbesteuer*, which often absorbs an additional 12 per cent of the profits, is added, it is clear business already bears a heavy burden. Unless the government wants to make its taxes confiscatory and take over industry, it must be cautious about levying further taxes on business. This is particularly true in view of the fact that industry has in many cases surpassed the optimum point of production and is now entering a period of higher costs and, ultimately, lower profits. As an alternative to tax increases the Reich might devote a larger portion of its expenditures to productive purposes which would increase the country's capacity to pay taxes. Considering the expansionist foreign program of the Nazis and its concomitant of ever larger armaments, such a development appears highly unlikely.

Obviously the Reich can no longer profit from the decline in the costs of unemployment relief. Possibly a few hundred million marks additional may come from this source, but then the irreducible minimum necessary to maintain the "unemployables" will have been reached.

Presumably it would be possible to continue borrowing. The public debt has not yet reached alarming proportions. Owing to the inflation, which wiped out almost the entire debt, and the conservative

Table I. Finances of National and Local Governments and the Reich Labor Office in Germany

	(In billion Reichsmarks)						
	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
Total current income.....	14.9	15.9	17.4	18.9	21.3	24.2	28.0
Local tax receipts.....	3.5	3.7	3.6	3.6	4.5	4.5	4.5
Reich tax and customs receipts.....	6.7	6.8	8.2	9.7	11.5	14.0	17.3
Income taxes.....	1.3	1.3	1.7	2.5	3.2	4.1	4.1
Corporation tax.....	0.1	0.2	0.3	0.6	1.0	1.5	1.5
Expenditures.....	15.9	16.7	17.4	18.9	21.3	24.2	28.0
For unemployment assistance.....	3.2	2.8	2.1	1.6	1.2	0.8	0.7
Relation of govt. receipts to nat'l income (in percentage).....	33.0	34.0	33.0	32.0	34.0	34.0	37.0
Public debt at end of fiscal year.....	24.3	24.5	25.1	26.7	27.7	30.3	30.3
Reich debt.....	11.7	11.8	12.5	14.4	16.1	19.1	123.8
Foreign debt.....	3.0	2.0	1.8	1.7	1.4	1.3	1.3
Short-term domestic debt.....	1.5	1.9	2.4	2.9	2.4	2.3	4.8

\*Estimated. †Figures on tax receipts are taken from publications of the Reich Statistical Office.

Those on total income are estimates based on private sources. ‡After 1933-34 exclusive of expenditures financed from loans and credits (including so-called secret bills). §Officially recorded debt.

¶End September, 1938.

tions and the re-employment campaign in Austria had raised this amount to 12.2 billion by the end of September 1938.

## The "Secret" Indebtedness

More spectacular than the increase in the official public debt has been the rise in "secret" indebtedness. Particularly during the first few years of National Socialism, the Reich made extensive use of short-term bills to finance its additional expenditures. These bills, known as "employment-creation" and "armament" bills, were drawn by contractors and used to pay for deliveries and work carried out for the government. Provided with an "acceptance" by some official or semi-official institution, they could, like ordinary commercial bills, be discounted by banks and rediscounted by the Reichsbank. Instead of being "self-liquidating," however, they could be renewed many times at the option of the Reich until their redemption from tax proceeds or public loans. The size of this bill debt has often been overestimated. At the end of the 1937-38 fiscal year it probably did not exceed 15 billion reichsmarks. The total bill holdings of all banks, including the Reichsbank and its subsidiary, the Gold Discount Bank, amounted at that time to 15.1 billion reichsmarks. From this sum must be deducted 0.8 billion in "Solawechsel" or "promissory notes" of the Gold Discount Bank for which the latter acquired "armament bills."

The amount of bills held outside banks is unknown now that the bill tax no longer accurately reflects total bill circulation. At its peak in 1928 it amounted to 4.2 billion marks, but the total is probably somewhat larger today. Mounting profits, limited investment needs and the restriction of dividend disbursements to 6 per cent (in some cases 8 per cent) made industry highly liquid, enabling it to retain many of the armament bills. From this aggregate amount should be deducted the purely commercial bills, which at the be-

Continued on Page 94

# New Synthetic Fiber, Nylon, May Have Profound Effect On the Hosiery Industry

By PRINCE M. CARLISLE

PRODUCERS of hosiery, troubled for more than half of 1938 by the problem of dragging sales and poor prices which characterized most consumer goods industries, have made a rapid recovery and have been operating "in the black" for the last five months, but their earnings in the last half of the year were generally insufficient to offset early losses, and most individual companies will show losses in their annual financial statements. To the extent, however, that good cheer can accompany a statement of losses, the hosiery producers are cheerful, for they are uniformly confident that 1939 will bring them appreciable profits.

This year will bring them, however, two important developments which, in the long trend, already are giving them cause for concern. One is the possibility, which some call a virtual inevitability, of overcapacity in the next few years, even discounting a rising per capita consumption. The other is the fact that the new synthetic yarn which du Pont chemists have fashioned out of elements in coal, air and water, and dubbed with the generic term nylon, will find its greatest field in hosiery. This fact becomes important not because it may supplant silk (for the hosiery concerns are not disturbed over the likelihood that they will see a shift in the raw material they use), but because the chemists claim for nylon a strength previously unheard of in any fiber suitable for use in the production of the sheeress which American women demand in their stockings. This means that sheer stockings will last much longer, ultimately reducing per capita consumption.

#### Twelve Pairs Per Year

In 1937, hosiery consumption exceeded 26,000,000 dozen pairs, suggesting a rough comparison with population figures to arrive at a per capita consumption of a dozen pairs. Hosiery men have shown a good deal less interest in the amazing fact that the theoretical "average person" buys a dozen pairs a year than the research, marketing and advertising experts who like to toy with large figures. The hosiery men know that consumption varies sharply between classes of people. The New York business woman, earning \$40 to \$60 weekly, for example, is likely to buy two or three dozen pairs yearly, while the barefoot boys and girls in the South may even buy none, making at home the few they wear in Winter.

It is, then, the total figure, and the breakdown into types of hosiery, that interests the hosiery producers themselves. The 1937 consumption of over 126,000,000 dozen pairs marked the third year of sharp gains, and compared with slightly less than 104,000,000 dozen pairs in 1934. Shipments in the first eleven months of 1938 totaled 117,618,663 dozen pairs, and unofficial estimates were that the 1937 record figure would be surpassed, despite sharp declines in the early part of 1938. There seems to be little question that the 1938 record will again be surpassed in 1939.

Women's full-fashioned hosiery is by far the most important part of the industry. With a production of about 32 per cent of the unit total, such hosiery accounts for about 64 per cent of the annual wholesale value of all hosiery produced. The industry's total wholesale value in recent years has run slightly less than \$400,000,000 annually.

'Twas not always thus. At the beginning of the Twenties, when the "liberation" of women had not extended to styles in skirts, full-fashioned silk hosiery was worn only by the fashionable, and production of women's full-fashioned hosiery accounted for less than 10 per cent of all hosiery produced. By 1929 the figure had

increased to 26 per cent, and, despite the beginning of the Great Depression, a further increase was made in 1930 that brought production of women's full-fashioned hosiery to slightly more than 30 per cent of all production. Since 1930 the percentage has remained about static. The extent to which this has displaced seamless hosiery is shown by the fact that in 1921 seamless hosiery accounted for nearly 40 per cent of all hosiery produced, whereas in 1937 the percentage had been cut to about 10.<sup>1</sup>

This vast transition in public taste was accompanied by innumerable problems for producers, not the least of which was the fact that in the prosperous Twenties stockings of much poorer quality than are now worn by the average shopgirl were sold at retail at from \$2 to \$3 a pair, and the depression brought a sudden necessity for adjusting retail prices to a thinner pocketbook. This was accomplished by numerous means, including reductions in labor rates which brought frequent and costly labor strife. When hosiery prices were high, experienced knitters in full-fashioned plants earned up to \$125 and, occasionally, as high as \$150 weekly. Comparable workers still are earning up to \$70 weekly, but wages for the industry as a whole, including the less skilled workers, now average in the neighborhood of 60 cents an hour—a high rate by comparison with other textile workers.

#### Seamless Outmoded

Another and serious problem resulting from the switch from seamless to full-fashioned hosiery was the fate of the old seamless machinery. Much of it found its way into the hands of ex-foremen and ex-knitters who were good production men but poor merchandisers—in an industry then, as even now, not plentifully supplied with good merchandisers. For an investment of a few hundred dollars and a moderate line of credit it was possible to set up a hosiery mill in an old building and turn out stockings in the gray, selling them catch-as-catch-can, and the production of seamless hosiery for years heavily exceeded the actual or even potential demand. The ten or more years in which this situation has bothered the industry have themselves been the best corrective, for the mortality among such mills was high.

Improved production methods, better merchandising, elimination of high wages and wasteful management, and, finally, sharp declines in prices of raw silk over the last few years have brought prices of good grades of women's full-fashioned silk hosiery down below \$1 at retail. The best market, however, unlike that for nearly any other product, is in the luxury class, where stockings so sheer that they were not even thought of five or six years ago are sold at from \$1.50 a pair up. A two-thread crêpe twist stocking, gossamer sheer and made with the sheer silk from top to toe, often serves but one evening.

#### Nylon

It is in this market that nylon, the mysterious new synthetic fiber, is causing producers concern as to their future. For the

<sup>1</sup>The increase in physical volume of full-fashioned hosiery production since 1921 has been greater than would be suggested by comparing these percentage figures, for the 1921 total production, which is used as 100 in the percentage references for that year, was 86,383,000 dozen pairs, while 1937 total production was 126,650,000 dozen pairs. Production of all full-fashioned hosiery, including men's, was 7,736,000 dozen pairs in 1921, while that for 1937 was 40,215,000 dozen pairs.

been clamoring for the product ever since.

There was ample reason for the clamor. With each successive report of Japanese military devastation in China has come a new wave of anti-Japanese feeling in America, expressing itself in a desire to boycott Japanese products. Even the most ardent of the feminine boycotters, however, have been unable to accustom themselves to the admittedly poor substitutes of rayon or cotton lisle for the delicate hosiery that, until nylon, man has been able to make only of Japanese silk. The \$90,000,000 which America spends annually for Japanese silk to encase the lovely limbs of American womanhood constitutes an extremely irksome thorn in the side of the growing number of Americans who want to express in tangible form their disapproval of Japan's military campaigns.

#### No Adequate Supply Until December

Spurred by this demand, which is big enough to be worth millions in establishing nylon as a hosiery fiber, several of the leading hosiery producers have been experimenting with the new yarn on a small scale for several months. Until recently the supply of yarn has been so

*Continued on Page 72*

## Yours for Good Service



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The people operate the telephone—about 300,000 of them in the Bell System.

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# National Government: Administration Loses on Relief; Gains on National Defense

WASHINGTON.

**C**ONGRESS is more restive than appears on the surface. While the controversial nominations thus far have occasioned fewer eruptions in the Senate than the circumstances seemed to warrant, anti-Administration men view the new Cabinet appointees with deep resentment alleviated by the belief that the New Deal is undermining its own position.

The House, within a week of the President's Jackson speech calling for party unity his way, hacked \$150 million out of the \$875 million which the President had requested after the budget had assigned \$750 million. Some observers think that the estimate was deliberately raised in expectation of a cut which might have left a smaller amount had the original budget figure been asked. But this and subsequent manœuvres needlessly stirred the House into a very unruly mood.

If the Administration leaders had been able to force a record vote as to the amount of the appropriation, there is reason to believe that instead of frightening Congressmen into acceptance of the larger sum the forced roll call would have resulted in even heavier reprisals. As it was, the Cannon amendment, to restore the full amount which the Appropriations Committee had cut, was rejected by a teller vote of 137 to 226. This is a significant indication of the strength of the House coalition. Expressions of Congressional independence by Woodrum and others brought the kind of applause that bodes ill for other New Deal measures.

Amendments were adopted to forbid employment of persons who try to influence elections; prevent the blanketing of employees under civil service, which would have placed them under political control of Washington rather than of State machines; ban employment of aliens; eliminate wage differentials of more than 25 per cent, and forbid establishment of hosey mills in competition with private industry. Another amendment reverses the recent WPA order against employment of persons eligible for other benefits, by forbidding prohibitions against employing workers over 65 or women with dependent children.

Proposals to set up a special investigating committee and work out a sound program had to be ruled out on points of order as not germane. But the House was clearly in a mood to adopt such a plan on that Friday the 13th when the Administration took the first—and not the last—trouncing of the current session.

**ON NATIONAL DEFENSE**, the Administration did far better. For some weeks, rumors as to a vast program have been allowed to circulate without official denials and have drawn criticism as reflecting war hysteria. Whether or not the Administration ever intended such a large program, the President's announcement of a relatively modest one, with the observation that hysteria is uncalled for, shows more political adroitness than he has evi-

denced for some time. The strategy was just the reverse of that used as to relief.

An added \$552 millions, being so much less than it might have been, is expected to meet with no more than a small minority opposition. The real fight will be on neutrality and foreign policy. Work on drafting army and navy authorizations will start at once in House committees so that funds may be voted in the regular departmental appropriation bills. Some

additional items of authorization would not be surprising. As well as the announced program, such related phases as airports, on which recommendations will be filed by the Civil Aeronautics Authority at the end of the month, will be presented to Congress.

\* \* \*

**BRIEFS**—The Lea omnibus railroad bill is in the nature of a working draft to facilitate hearings on a wide range of

transportation problems. Non-rail carriers and shippers will oppose undue centralization control. . . . SEC sends Hopson a valentine with a delisting action on A. G. & E. stock to start hearings Feb. 14. . . . Under fire as to an alleged agreement to cut the Cuban sugar duty, Secretary Hull slapped back at the big sugar lobby which he has discovered. For some time the sugar lobby has been one of Washington's leading industries. . . . Hearings on reciprocal taxation of State and Federal bonds interest and salaries now start. . . . The Wagner bill to broaden United States Housing Authority program would increase the Federal slum clearance subsidy to \$73 million per year for sixty years.

## Calendar of National Legislation, Week Ended Jan. 13

**LAST WEEK** the House met daily from Monday, Jan. 9, through Friday, Jan. 13, and adjourned to Monday, Jan. 16. The Senate met Monday, Tuesday and Thursday and adjourned to Monday.

**APPOINTMENTS**—The Senate confirmed nominations of John W. Hanes, Undersecretary of the Treasury; Preston Delano, Comptroller of the Currency; Ellen S. Woodward, Social Security Board, and James P. Pope, TVA Board. Ambrose O'Connell of New York was approved by the Senate Committee on Post Offices and Post Roads for Second Assistant Postmaster General.

President's nominations: Robert E. Freer, Ohio Federal Trade Commissioner; M. Roland Reed, Pa., member of Railroad Retirement Board; Norman Case, R. I., member of Federal Communications Commission; Colonel Roger G. Powell, Corps of Engineers, United States Army, member of Mississippi River Commission; Richard H. Rutledge, Utah, Director of Grazing; Henry Ohi, Wis., member of Federal Board for Vocational Education.

Senate Judiciary subcommittees, after hearings, approved Frank Murphy as Attorney General and Felix Frankfurter as Associate Justice of the Supreme Court. The Senate Commerce Committee held hearings on Harry L. Hopkins as Secretary of Commerce.

**MESSAGES**—Transmittal of Report of the Central Statistical Board, recommending changes in Federal fact-finding procedure, Jan. 10.

H. Doc. 105—National Defense Message, Jan. 12.

Annual and other reports were received from various Federal agencies.

**COMMITTEES**—Senate Committee appointments placing the thirteen new Senators were completed Jan. 9. New chairmanships include Senator Bailey, N. C., Committee on Commerce; Senator Overton, La., Committee on Manufactures. The Commerce Committee handles much business legislation, while the Committee on Manufactures has been relatively inactive in recent years.

New Democratic appointees to the House Committee on Ways and Means are: West, Texas; Maloney, La.; Boland, Pa., and McKeough, Pa. This committee determines other committee appointments which involve 117 new Congressmen and have not been completed.

**PASSED ONE HOUSE**—H. J. Res. 83—Relief deficiency appropriation of \$725,000 to continue WPA to June 30. Passed House Jan. 13. Vote: 399 to 16.

The Senate and House passed numerous resolutions of a routine nature.

### New Bills

**SENATE BILLS**—S4 (Hayden) P O & Post Roads—Prohibit mailing cert. classes unsolicited mdse.

S17 (Hayden) Finance—Social Security for Indians.

S19 (Hayden) Pub Lands & Surveys—Establish Natl Resources Board.

S33 (Logan) Judiciary—Uniform requirements for govt contracts.

S90 (McCarran) Judic—Punish interstt transports stolen animals.

S96 (Bulow) Civil Service—Federal employees must leave service on reaching retirement age.

S107 (Maloney) Finance—Income from future U S security issues made subject to Fed income tax.

S126 (McKellar) Interstt Com—Amend ICC Act to prevent freight rate discriminations. Also S137 (Bankhead) and S158 (Hill).

S127 (McKellar) Intercoceanic Canals—Nicaraguan canal.

S168 (Nye) Finance—Regulate importation of dairy products.

S175 (Nye) Military Aff—Regulate formation private military forces.

S196 (Ashurst) Judic—Stolen Property Act to cover stolen securities.

S203 (King) Foran relatns—Repeal Neutrality Act.

S204 (King) Judic—Repeal Miller-Tydings resale price maintenance law.

S212-3 (Hatch) Privileges & Electns—Prohibit political activities by Fed employees.

S286 (Neely) Finance—Tax fuel oil 3c per gal.

S413 (Frazier) Agri & Forestry—Liquidate and refinance agriculturl indebtedness.

S422 (Wiley) Finance—Amend Soc Sec Act re vocational rehabilitatin.

S436 (Logan) Agri & Forestry—Amend TVA act to include Cumberland basin.

S446 (Gillette & Capper) Agri & Forestry—Amend Packers & Stockyards Act 1921.

S448 (Gillette) Judic—Divorce products, refinng, and transports of petroleum products from mktg.

S447 (Barkley) Bkng & Currency—SEC regulate of trust indentures.

S478 (Hatch) Agri & Forestry—More expeditious pay of farmers under agri programs.

S479 (Hatch) Agri & Forestry—Amend AAA. Act as to mktg quotas on wheat.

S517 (Johnson, Colo) Intrstt Com—Prohibit advertising alcoholic beverages by radio.

S518 (Bankhead) Agri & Forestry—Develop coop agri extensn work.

S551 (Gillette) Agri & Forestry—Amend AAA. Act re use of diverted acres.

S552 (Gillette) Finance—No gasoline tax on 7% alky gas.

S554 (Green) Finance—Prevent retroactive Fed tax on employees of Sts and their instrumentalities.

S570 (Frazier & others) Agri & Forestry—Cost of production price-fixing plan for farm commodities.

S571 (McCarran) Pub Lands & Surveys—Amend Taylor Grazing Act.

S572 (Thomas, Utah) Military Aff—Acquire stocks strategic war materials.

S575 (Capper) Interstt Com—Prohibit interstt transports of liquor ads.

S590 (Wagner) Bkng & Currency—Estab Fed Mortgage Bank for permanent discount and purchase system urban real estate mortgages.

S591 (Wagner) Educ & Labor—Amend U. S. Housing Act to double present \$800,000,000 authorization for slum clearance work.

SJR6 (Clark, Mo) Dist of Columbia—Territorial govt for Dist of Columbia.

SJR7 (Townsend, Burke & Gibson) Judic—Equal rights for women amendment to Constitution.

SJR27 (Hill) Interstt Com—ICC invstg differences in freight rate levels.

SJR28-9 (Sheppard) Judic—Prohibition amendments.

SJR30 (Vandenberg) Judic—Child labor amendments.

SJR35 (Capper) Judic—Amend Constitution for natl representation Dist of Columbia.

SJR38 (Donahey) Audit & Control—\$25,000 to continue joint committee invstg of TVA.

**HOUSE BILLS**—HR1939 (Snyder) Roads—Survey 3 north-south and 3 east-west superhighways.

HR1951 (Bland) Rivers and Harbors—Create division of water pollution control in Public Health Service.

HR1953 (Cole, N. Y.) Ways and Means—Repeal compulsory filing corporation salaries.

HR1957 (Disney) Education—Establish National Academy of Public Affairs for diplomatic and administrative training.

HR1959 (Hess) Judiciary—Anti-lynching.

HR1960 (Izac) Ways and Means—Include needy cripplrs under Social Security.

HR1965 (McCormack) Ways and Means—Match State funds spent for Social Security aid dependent children.

HR1965 (Robison, Ky.) World War Veterans' Legislation—Pension World War veterans.

HR1966 (Robison, Ky.) World War Veterans' Legislation—Pension World War widows and orphans.

HR1987 (Smith, Conn.) Military Affairs—Acquire metal reserves for national defense: \$30,000,000.

HR1996 (Summers, Texas) Judiciary—Amend National Stolen Property Act to include securities.

HR2000 (Thomas, Texas) Ways and Means—Grants to States for needy incapacitated adults.

HR2006 (Havenner) Ways and Means—Refund certain taxes paid by State and municipal employees.

HR2008 (Sparkman) Judiciary—Increase lump-sum payment under Workmen's Compensation Act.

HR2175 (Wolcott) Judiciary—Anti-lynching.

HR2179 (Jones, Texas) Agriculture—Ratify interest rates on loans from revolving fund under Agricultural Marketing Act.

HR2180 (McReynolds) Military Affairs—Payments to Tennessee counties from TVA power receipts in lieu of taxes.

HR2181 (Goldsborough) Banking and Currency—Monetary policy with compensated retail prices and Federal Credit Commission.

HR2190 (Hill) Agriculture—Regulate commerce in farm products with exportable surpluses.

HR2187 (Boehne) Ways and Means—Full income tax deduction for contributions to employees' trusts.

HR2191 (Lea) Interstate and Foreign Commerce—Barkley-Lea trust indenture bill for SEC regulation.

HR2198 (Hall) Ways and Means—2-cent postal rate for delivery within incorporated cities and to contiguous cities.

HR2207 (Hobbs) Judiciary—Permit all litigation in courts without requirements of deposit of money or printing of the record.

HR2298 (Van Zandt) Interstate and Foreign Commerce—Compulsory retirement at 65 for employees under Railway Retirement Act. See also HR2313.

HR2299 (Rich) Roads—Promote motor vehicle safety.

HR2300 (Coffee, Wash.) Interstate and Foreign Commerce—Repeal Hot Oil Law.

HR2314 (Knutson) Interstate and Foreign Commerce—Reveal presence of substitutes in woolen goods.

HR2318 (Harrington) Judiciary—Divorce production, refining and transportation of petroleum products from marketing.

HR2371-7 (Lemke and Others) Agriculture—Cost of production price plan for farm products.

HR2380 (Kerr) Roads—Half of Federal aid highway funds must be used for secondary and feeder roads.

HR2386 (Ramspeck) Labor—Extend scope of national employment system.

HR2387 (Hunter) Banking and Currency—Restore to Congress sole power to issue money, etc.

HR2389 (Knutson) Agriculture—Make permanent reduced interest on Federal Land Bank and commissioner loans.

HR2391 (Sweeney) Agriculture—Cost of production farm plan.

HR2399 (Byrns, Tenn.) Banking and Currency—Reduce HOLC interest to 3 1/2% and extend maturity to 25 years.

HR2401 (Rees, Kan.) Judiciary—Amend Corrupt Practices Act.

HR2403 (Schiffler) Banking and Currency—Reduce HOLC interest.

HR2409 (Cravens) Ways and Means—Amend Social Security Act.

HR2531 (Lea) Interstate and Foreign Commerce—Omnibus Railroad Bill. Hearings to start Jan. 17 with testimony of ICC Commissioner Splawn.

HR2532 (Barry) Education—Cooperate with States in education on conservation and natural resources.

HR2533 (Celler) Immigration and Naturalization—Give certain aliens asylum in U. S.

HR2536 (Hill) Interstate and Foreign Commerce—Prohibit future trading in commodities through mails.

HR2541 (Steagall) Banking and Currency—Simplify accounts of U. S. Treasurer.

HR2542 (Spence) Banking and Currency—Regulate value of money.

HR2553 (Havener) Ways and Means—Establish system of Federal maritime unemployment compensation.

HR2554 (Miller) Judiciary—Universal fingerprinting.

HR2555 (Taylor, Tenn.) Appropriations—Promote increased employment, etc.

HR2557 (Kramer) Ways and Means—Amend Revenue Act for deduction of loss on account of abandonment of real estate.

HR2559 (Harrington) Ways and Means—Gasoline tax exemption for 10% alky gas.

HR2563 (McCormack) Civil Service—5-day work week in civil service.

HJR75 (Dondero) Judiciary—Limit Supreme Court Justices to nine.

HJR78 (Thomas, N. J.) Ways and Means—Treasury make survey of taxes paid in manufacturing of foodstuffs, goods, wares or

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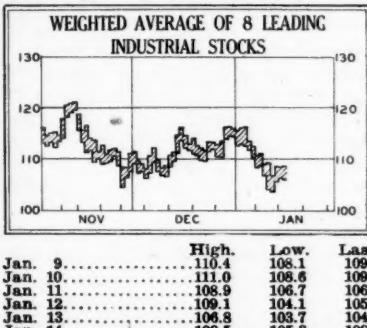
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# Financial Markets: Stocks Mark Time Pending Definite Clues on Profits Outlook

STOCK prices have experienced a further decline but part of the ground lost has been recovered. Price movements have been of moderate proportions and volume of trading has been fairly light.

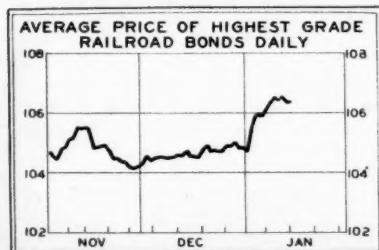
Financial news of the week has been mixed in character with a small balance on the unfavorable side. Although little had been expected from Mr. Chamberlain's visit to Rome, the fact that apparently nothing was accomplished had a depressing effect upon sentiment.

Reports of hand-to-mouth buying of steel and the absence of a marked recovery in steel operations confirm the belief that we are in a period of reaction from the sharp business expansion of the last half of 1938. The increase of world copper supplies in December, together with rumors that domestic copper prices may be reduced, have had a favorable influence upon the metal stocks.



Recent earnings reports have contained both unfavorable and favorable items. On the one hand the Reynolds Tobacco Company report indicates a 14 per cent decline in net income and a 7 per cent decline in sales last year and emphasized the effect of taxes upon profits.

Reports of railroad operations have been more encouraging. Seasonally adjusted figures of railway operating revenues for Class I roads for November made a favorable appearance, equalizing approximately the level of the first three quarters of 1936. The fact that operating expenses advanced a little less rapidly than revenues and that net railway operating income in consequence improved a little bit more than gross is of course a favorable development.



AVERAGE PRICE OF HIGHEST GRADE RAILROAD BONDS					
1939.	1938	Dec.	Nov.	Oct.	Sept.
Jan.	Jan.	Dec.	Nov.	Oct.	Sept.
1. . . . .	104.30	104.74	102.72	104.13	103.88
2. . . . .	104.57	104.57	104.17	104.17	104.05
3. . . . .	104.40	104.47	102.94	104.17	104.10
4. . . . .	105.48	104.81	103.18	104.17	104.10
5. . . . .	105.96	104.52	104.86	103.43	104.12
6. . . . .	105.97	104.52	103.80	103.93	104.15
7. . . . .	105.92	104.54	105.14	104.02	104.03
8. . . . .	104.50	104.50	104.00	104.06	103.99
9. . . . .	106.21	104.52	105.18	103.93	104.06
10. . . . .	106.39	104.54	105.58	103.93	104.06
11. . . . .	106.54	104.62	105.52	104.07	103.90
12. . . . .	106.46	104.62	105.52	103.95	103.61
13. . . . .	106.54	104.59	104.13	103.90	103.70
14. . . . .	106.37	104.76	105.53	104.46	103.13
15. . . . .	106.36	104.58	105.43	104.56	103.40
16. . . . .	104.54	104.82	104.52	103.10	104.00
17. . . . .	104.54	104.86	104.52	102.95	104.05
18. . . . .	104.54	104.89	104.41	103.92	103.92
19. . . . .	104.84	104.91	104.61	102.78	103.76
20. . . . .	104.91	104.91	104.40	103.98	103.88
21. . . . .	104.72	104.73	104.59	103.08	103.08
22. . . . .	104.79	104.47	104.59	103.10	103.93
23. . . . .	104.78	104.49	104.59	103.00	104.13
24. . . . .	104.71	104.54	102.40	104.54	104.54
25. . . . .	104.37	104.62	104.62	104.62	104.62

The President's defense message to Congress was not greatly different from what

was expected, although apparently some observers had believed that heavier expenditures would be asked for. It has been estimated that an air defense expenditure of about \$320,000,000, together with the regular military appropriation and the existing backlog should keep the aircraft industry as a whole operating at capacity for 18 months, this estimate being based on an annual production capacity of 5,500 military planes.

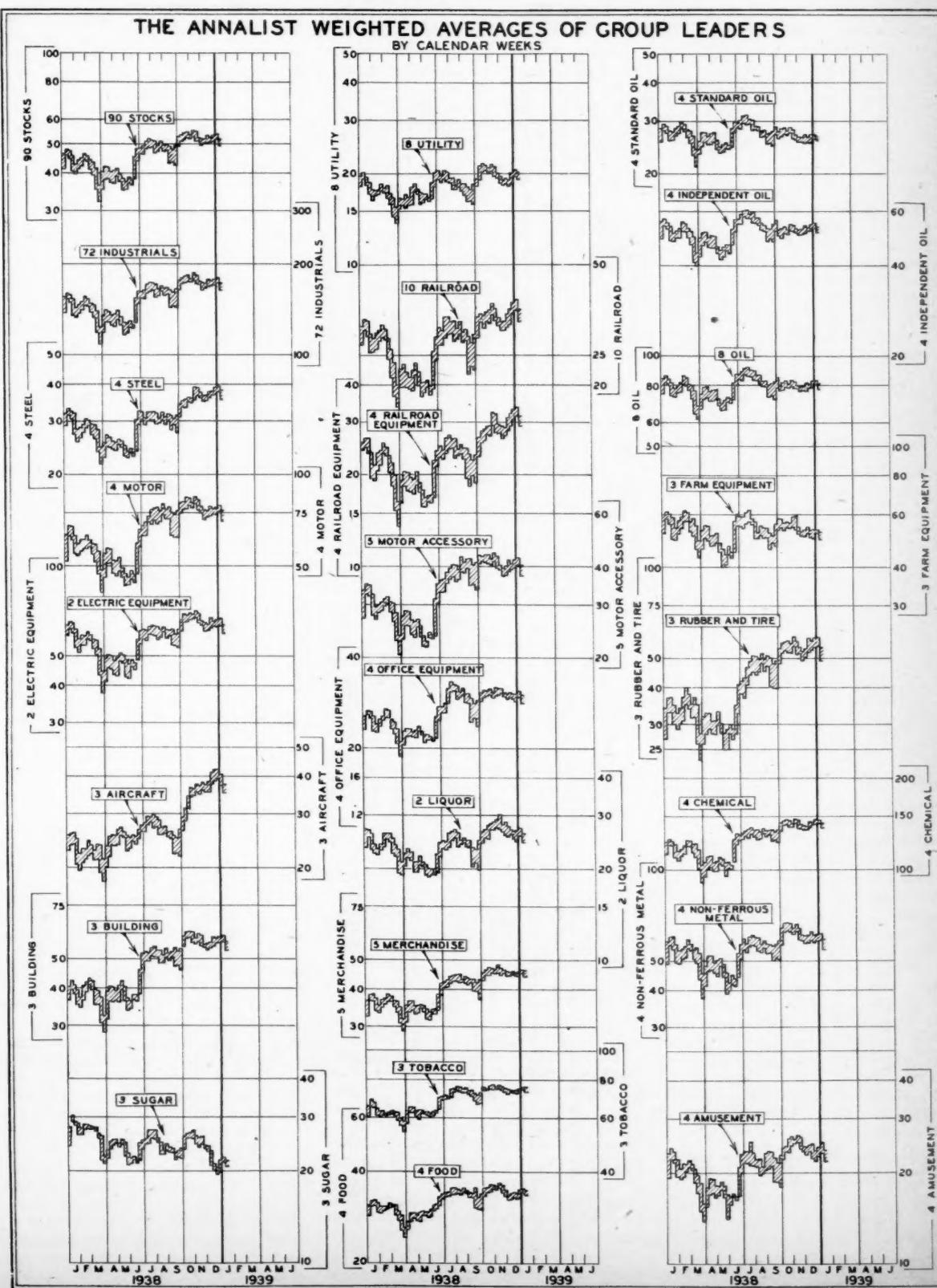
The estimate of 3,000 planes mentioned as the immediate requirement is of course in sharp contrast to the imaginative figures of 10,000 and 12,000 planes recently

heard in financial circles. The present program is represented as a minimum, however, so that further expenditures may be asked for if conditions abroad become more unfavorable.

Evidence of a more independent spirit in Congress and of a tendency to restrict relief expenditures were regarded as favorable developments. A lower level of government expenditures is perhaps, in a short-term sense, an unfavorable item in the outlook, but from a longer-range standpoint any move toward sounder government financial policy must be regarded as strongly constructive.

Account must also be taken of the fact that part of government expenditures over the past several years have tended to compete both directly and indirectly with private enterprise so that a reduction in government outlays might easily result in a net gain in general purchasing of goods.

The stock market has now been fluctuating in a trading range for nearly three months. Over this period attempts to renew the advance of the Summer and Fall of 1938 have met with failure, but thus far efforts to produce a decline have likewise been without important result. In a general way the market's ability to maintain the high levels reached at the close of October may be regarded as favorable.



## Nylon

Continued from Page 69

small as to restrict the experiments, however, and no adequate supply will be available until next December, when du Pont completes its \$8,000,000 plant near Seaford, Del., for producing the new yarn.

A plan was projected whereby one of the best-known names in hosiery would be utilized in experimental promotion of hosiery of nylon. The plan was to put the new stockings into a limited number of stores, where known customers were to be asked to sample them and report their reactions. The arrangement would be mutually advantageous to du Pont and the hosiery concern, since their names would be united in the initial commercial promotions.

A serious snag developed a few weeks ago, however, when it was found that the nylon, whatever its qualities as to strength and sheerness, would not go through the knitting machines easily. Engineers are now at work trying to determine whether a new machine attachment will be needed, whether the nylon will have to go through an additional process before being fed into the machines or whether a new metal alloy will be needed for the knitting needles.

This seems to have disposed of the nylon problem as an immediate consideration in its effect upon sales of full-fashioned hosiery in the next several months. If the Japanese campaigns continue into 1940, keeping alive the anti-Japanese feeling, however, nylon will get a phenomenal start in that year, in the view of many hosiery men.

### Expansion in the South

It is for this reason that they look upon the expansion of hosiery-producing facilities, notably in the South, with concern. Some hosiery men are convinced that a migration, not dissimilar to that which took place in the first quarter of the century in the cotton-textile industry, is carrying the hosiery industry southward. And while a few are willing to admit that in the long run this may leave the industry better equipped to meet the public demand, the intervening years are bound to be troublesome, especially for plants already established.

In the last eighteen months, it is reported, 170 new hosiery-producing plants have been established in the South. This expansion is not to be confused with the haphazard mushrooming of seamless hosiery plants in the Pennsylvania and New Jersey area of a decade ago. That, hosiery men say, was an upstart development which eventually played itself out.

To start a full-fashioned hosiery mill, however, requires serious capitalization. The knitting machines themselves cost around \$15,000 each, and an extremely small plant is one with ten machines. Auxiliary equipment, building and initial raw material costs bring the minimum required investment for a full-fashioned plant to from \$250,000 to \$300,000.

Southern bankers, eager as all bankers are to find legitimate work for their money, have been ready and willing to undertake such financing. They have been assisted by other Southern capital which is seriously undertaking a long-range task of industrializing "the nation's Number One economic problem." And they have been given accurate figures and facts tending to indicate that a full-fashioned hosiery plant is a good investment.

### Ultimate Effects on the Industry

The point has been made by some men in the industry that the bankers and other financiers should give consideration to the ultimate effect, in the large, of the fact that so many new plants are being built. With all due allowances for present ex-

pansion of demand, for improvement in general business and national earning power, and for such long-term uptrend in hosiery consumption as may exist, the assertion is made that there can be no justification for adding to the industry's productive capacity at the present rate. And, it is added, to the extent that the expansion hurts the whole industry, it will endanger the risk of those financing the new mills.

The bankers, however, have an answer for this argument. They hold that, assuming that the expansion will injure the industry, the injury will be to the older, less modern plants, and the new plants will survive. This, of course, does not take into consideration the fact that the existing mills, themselves representing heavy investments, will not merely step aside, but that price competition of a serious nature may develop and, in the competitive market, bring losses to all producers.

The excess capacity problem has some other aspects. Even before the Southern expansion began, the mathematics showed that the industry had machinery sufficient to produce about 10,000,000 more pairs of women's full-fashioned hosiery than it could sell. It was, and is an only slightly lesser extent still is, however, an industry of peaks and valleys of both production and sales. Some effort has been made in the last two years to level out these peaks—a profitable undertaking for the individual concerns, albeit a theoretically disastrous one for the industry as a whole, since, with level output, capacity would be too high.

### Seasonality Problems

The leveling of production cannot, however, reach really heavy proportions, because of the buying habits of distributors. The mills are unwilling to manufacture stock in advance for a demand they know will shortly develop, because of style and color considerations. It is, of course, possible to make up the stockings in the gray without any indication of probable color considerations, but there is a considerable mobility to the demand for various styles.

This explains the fact that the industry as a whole, and the full-fashioned division to the greatest extent, goes through two complete cycles a year. Shipments dip appreciably in January and July and reach their peaks in March and September or October. In 1938 the valleys were according to the usual seasonal trend, but the peaks were reached in March and November. This was explained by the fact that last Fall brought a heavy improvement in demand and distributors' reorders were so heavy that they carried November shipments above the October figure.

In 1937 the effort to flatten out the production curve met with some degree of success. Production ran ahead of shipments in January and February, building reserves against the March demand, failed to rise as much as shipments in the Spring bulge, and again ran ahead of shipments through the Summer months. In 1938 the effort was less successful and the production line ran very close to that of shipments.

The 1938 performance, however, was hindered by the readjustment of distributors' ideas as to sales possibilities which was so familiar to most consumer goods industries. This distortion of the "normal" trend resulted in a failure, in the first half of the year, of shipments to reach the production total, even for full-fashioned hosiery. For the industry as a whole the cumulative shipments for 1938 did not surpass those of the previous year until the end of November, although this had occurred some months earlier in full-fashioned goods, and, in fact, it was the latter division which finally pulled the industry's

total above the previous year. Although some types of seamless hosiery finally surpassed the 1937 sales figure, the seamless branch as a whole was still 1.1 per cent behind 1937 at the end of November.

## Silver

Continued from Page 67

It could not be coined except at a loss of about 4 cents. Congress did not bother about a nonexistent, unknown and useless coin and left it, legally, as a standard bimetallic unit. This failure of Congress to understand the coinage situation was to create a national crisis years later.

### Silver in America From 1873 to 1893

From 1862 to 1879 the country was on a paper basis, with neither gold nor silver coins in circulation. The Treasury decided in 1869 to overhaul the many confused statutes relating to money, and two qualified experts were assigned to the task. The result was a complete codification of currency laws in 1873. In this extensive revision the silver dollar was dropped. This dropping of the dollar merely corrected the omission of 1853. The country had been on the gold standard in fact since 1834 and had had a perfect gold standard since 1853. The bill was before Congress three years, the dropping of the dollar was known to every one who knew anything whatever about money, and no one ever questioned it.

The point is emphasized because it is a crucial item in American history. From 1874 to 1936 the silver interests have disseminated without ceasing three false propositions: one, that this nation had bimetallism until 1873; another, that under it the country had an "abundant" currency; and the third, that the legal abolition of bimetallism by the law of 1873 was secretly accomplished by New York and English bankers. The popular hostility to bankers in this country derives in part from this hoary falsehood.

The coinage of silver at 16 to 1 was economically impossible in 1873, but, beginning in 1870, a combination of economic forces, one of which was the production from an enormous mine in Nevada, led to a rapid decline in the value of silver. The country was on a greenback basis. But greenbacks were steadily approaching parity with gold. There was an equilibrium point where 37 1/4 grains of silver, going down, would meet a dollar in greenbacks, going up. When silver fell below this point it would pay the owner of silver to take 37 1/4 grains of silver to the mint and have it coined into a dollar. It would reach this point at about 17 to 1.

In 1873 silver fell to 16 to 1, and in 1876 it reached the greenback equilibrium value. The silver interests searched frantically for some offset to the steady fall in value. They discovered this possibility of profit in the free coinage of silver at a false 16-to-1 value. They began a drive in Congress to "restore" a bimetallism that had never been in operation in American history and to "revive" the coinage of a silver dollar that had never been in circulation. That drive has never been relaxed from 1876 to 1936. The forces behind it are tireless and sleepless.

It is necessary here to explain briefly just what this drive means. Bimetallism at 16 to 1 means that the owner of 37 1/4 grains of silver can take it to the mint and have it stamped as one dollar, full legal tender. During practically the whole of the sixty-year period of this drive 37 1/4 grains of silver have been worth from 80 cents to 18 cents. The drive for bimetallism at 16 to 1 has meant simply that the owners of silver bullion demanded that the United States Government give them an unnatural profit of something between 25 per cent and 450 per cent by a measure that would destroy the financial structure of the nation.

In 1876 the country was in the throes of a grievous depression. For two years an incessant propaganda told the distressed people that the "restoration" of bimetallism would end the depression. The movement almost succeeded. In 1878 the opposition concluded that the only way to forestall the calamity of bimetallism was to give silver a subsidy. The Bland-Allison act was the subsidy. It was passed over President Hayes's emphatic veto.

The law ordered the Treasury to buy annually not less than \$24,000,000 nor more than \$48,000,000 worth of American silver bullion, the metal to be coined into "standard silver dollars." At the time 37 1/4 grains of silver was worth about 85 cents. The new dollars would be merely debased "token" coins. The sole purpose of the measure was to take off the world market the total American output and thereby raise the price. The Treasury rigidly restricted purchases to the minimum. When the clumsy pieces appeared the banks and the people refused them. They circulated to some degree in the South, for an extraordinary reason. The recently freed slaves could not read and write and they preferred the solid dollars to paper. In the West, where paper money had never been popular, propaganda persuaded the people to use the dollars for "patriotic" reasons. Elsewhere the strange coins were rejected, and they flowed back into the Treasury in taxes. The Treasury did not want these debased coins in its assets, and in 1886 the Secretary found a way to transfer them to the people, by burying the useless dollars in the vaults and issuing against them \$1 silver certificates carrying ownership of the coins. From 1878 to 1936 every subsidy to silver has had this one result—the burial in the vaults of a dead mass of debased silver dollars and their transfer to the people by the issue of silver certificates, irredeemable paper money by the difference between their face value and the value of the silver coins behind them. Senator Pittman and President Roosevelt refer to this mass of irredeemable silver dollars as the "silver reserve behind our currency."

The Bland-Allison subsidy lasted twelve years. The silver output was increasing, and the silver interests were unable to force the Treasury to buy more than the minimum of \$24,000,000 worth. In 1890 they traded votes with the tariff interests and inserted into the Sherman act a silver-purchase clause. With changes of detail it was merely a new Bland-Allison act requiring the government to buy much more silver. The Treasury was to buy 54,000,000 ounces per year. It was to be paid for with a new kind of paper money, the "Treasury notes of 1890," redeemable in gold coin or in silver dollars.

From 1878 to 1893 the government bought silver bullion, stored the coins in the vaults and issued certificates or Treasury notes. The value of silver continued to fall, finally reaching a point where a dollar was worth less than 50 cents. In 1893 the economic condition of the country was unsettled, and the adulteration of the gold standard with silver was causing deep concern. In June the cables reported that India had abandoned the silver standard. There was a violent panic. Nearly 600 banks suspended. An "endless chain" began to drain the Treasury. The government redeemed the Treasury notes in gold, paid out the notes to meet current obligations, and had to redeem them again. President Cleveland called Congress in special session and forced that body, in humiliation, to repeal the Sherman silver-purchase clause. But the damage had been done. Fifteen years of subsidy to a tin-pot industry had brought the government to the brink of bankruptcy, broken hundreds of banks and started a tragic depression.

# The Week in Commodities: Major Items Irregular; Silk Up But Cottonoil Is Weak

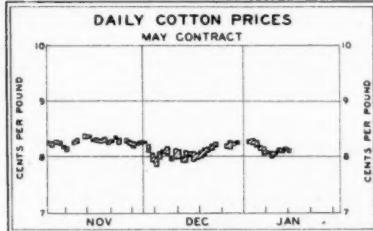
COMMODITY prices declined for the third consecutive period last week with The Annalist Index losing one-tenth of a point to 79.2 in the week ended Jan. 14. A year ago the index was 84.9. According to trade reports, selling in most commodities was not of an urgent nature and most of the decline was attributed to lower prices for securities. In some instances, citrus fruits for example, lower quotations reflected heavy shipments. The major commodities, wheat, corn and cotton, were firm with small minus signs the general rule. A sudden demand for malting barley pushed the price up 5 cents a bushel to 67 cents.

## DAILY COMMODITY PRICES

	Cotton	Wheat	Corn	Hogs	Index
Jan. 9	8.46	86.4	67%	7.48	48.24
Jan. 10	8.44	86.4	67%	7.50	47.92
Jan. 11	8.55	86.4	67%	7.32	48.12
Jan. 12	8.50	86.4	67%	7.16	48.16
Jan. 13	8.49	86.4	66%	7.27	48.00
Jan. 14	8.55	86.4	66%	7.00	48.25
				47.98	43.0

## COTTON

Futures milled about in slow trading, with little interest in the market being shown. After some selling in the early part of last week, cotton recovered, and at Saturday's close the near-term options showed practically no change as compared with the preceding Saturday, while new crop contracts were up as much as 14 points. The strength in the more distant futures was attributed to a belief that the cotton situation would improve. In some respects that position seems justified—matters can hardly get any worse.



Last week it was announced in Washington that the growers now conferring with Department of Agriculture officials advised retention of the "present government loan policies." That bit of news was said to have been responsible for the slight rally which took place in fiber prices.

**MOVEMENT OF AMERICAN COTTON**  
(Thousands of running bales, counting round as half, linters excluded; as reported by the New York Cotton Exchange)

Week	Ended Thursday	Yr.'s Jan. 12. Jan. 13. Chge. 1939. 1938. P. C.
<b>Movement Into Sight:</b>		
During week...	115	47 253 ..
Since Aug. 1, ...	7,304	7,189 10,646 ..
<b>Deliveries During Week:</b>		
To domestic mills	111	61 97 ..
To foreign mills.	88	102 130 ..
To all mills....	199	163 227 ..
<b>Deliveries Since Aug. 1:</b>		
To domestic mills	3,402	*3,291 3,193 ..
To foreign mills.	1,985	1,897 2,652 ..
To all mills....	5,387	*5,188 5,845 ..
<b>Exports:</b>		
During week....	73	48 145 ..
Since Aug. 1, ...	2,009	1,936 3,553 -45.3
<b>World Visible Supply (Thursday):</b>		
World total....	7,552	7,636 7,682 ..
Week's change....	-4	-116 +26 ..
U. S. A. only....	6,207	6,276 5,791 ..

\*Adjusted.

Since the loan policies are the cause of the present highly unsatisfactory situation in cotton, it is difficult to understand why the continuation of such a program can be termed a bull point. It is certainly not a long-range favorable factor. The cotton traders, however, apparently assumed that a continuation of the loan program would preclude any sustained selling from the loan and therefore prices might rise because of the shortage of "free" cotton.

The Commodity Credit Corporation has announced that through Jan. 12 it held 3,914,185 bales of 1938 cotton, represent-

ing an outlay of almost \$180,000,000 by American taxpayers. With allowance for slow reports, it is a certainty that more than 4,000,000 bales of cotton are now held by the CCA, or about one-third of the 1938 crop.

United States cotton exports continue to make most unpleasant reading. Last week only 73,000 bales were shipped abroad, as contrasted with 142,000 bales a year ago. It should be borne in mind that last year the level of business activity in foreign countries was lower than it is today, so that the drop in exports cannot be blamed on conditions abroad.

The New York Cotton Exchange has made an interesting comparison of United States cotton exports and those of India, second largest producer. While our cotton exports to date total about 2,000,000

bales, a drop of 45 per cent, as compared with the corresponding weeks of last year, Indian cotton exports in the four months ended Dec. 31 totaled 966,000 bales, a jump of 102 per cent, as compared with the period from Aug. 1 to Dec. 31, 1937.

Whereas American cotton exports are near the lowest level in thirty years, Indian cotton exports are about the highest in history. Under such circumstances one would think that even the die-hards of the AAA would realize that something must be wrong with the present cotton program.

The Exchange points out that the principal reason for the unsatisfactory showing of American cotton is the fact that a very large part of our supplies are tied up in the government loan, whereas all Indian cotton is free. Our cotton prices have been held at an artificially high level

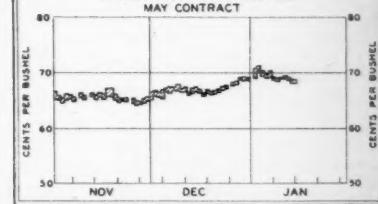
because of the loan program, but the price of Indian cotton has been permitted to find its own level. Because of the difference in price, Indian cotton is obviously far more attractive to foreign buyers than the American commodity.

## THE GRAINS

In the dullest trading in more than a month, wheat futures lost some of their new-found vigor and prices dropped into the lowest ground since the latter part of December. Saturday's closing prices were at the lows of the week. March was down 1/2 in closing at 68 1/4, while the late September contract lost a like amount to close at 69 1/4. On Monday and Tuesday wheat declined fractionally.

If the opinions held by most wheat brokers are borne out, prices probably reached their immediate peak in the first week of this year. In marked contrast to the state of affairs a few weeks ago—when everybody seemed to be buying wheat for all kinds of reasons—trade sentiment is now bearish.

## DAILY WHEAT PRICES



The threat of a dry spell in the important Southwestern wheat belt was dispelled by heavy rains, thus assuring the new crop of enough moisture to carry it for a while. Then, too, export demand has been very slow in recent weeks and domestic inquiry has tapered off. As yet nothing of importance marketwise has come out of the London wheat conference. Few expected that the conference would produce anything really worth while because each country represented has an axe of its own to grind and cooperation is hard to obtain.

## WEEKLY FOREIGN WHOLESALE PRICE INDICES

(Measured in currency of country; 22 primary commodities in terms of gold)

Primary C'mdts.	Canada. U.K. France. many. Italy. Irls.	Day Com-pled. .... Fri. Sat. Sat. Wed. Thurs. Sat.
Wk. Ended:		
Nov. 19.	73.6	71.7 653 106.0 473.6 39.9
Nov. 26.	73.5	71.3 653 106.3 470.9 39.4
Dec. 3.	73.4	71.1 655 106.2 471.9 39.2
Dec. 10.	73.4	71.3 654 106.3 470.7 39.2
Dec. 17.	73.5	71.5 654 106.4 470.2 39.1
Dec. 24.	73.4	71.7 655 106.5 471.3 39.5
Dec. 31.	73.5	71.4 666 106.5 471.3 39.5
Jan. 7.	71.1	669 106.8 471.3 39.5
Jan. 14.	71.1	666 106.6 471.3 39.5

Observers are still wondering what Argentina plans to do with her large exportable surplus. Thus far the South American republic has not offered its wheat in large volume nor has the price been low enough to attract many buyers. Recent exports have been made with the aid of a 15 to 20 cent subsidy, according to reliable information, but the rate may be increased substantially should Argentina go in for wheat exporting on a large scale.

Corn prices eased about a cent last week. Volume of trading was small. Some speculative selling was noticed when the news was received that heavy rains had broken the drought in Argentina. For a time it looked as if the corn crop would be completely destroyed. As it is, Argentina will have about 200,000,000 bushels of corn available for export this season, roughly twice as much as last year.

A sudden and unexpected demand for malting barley boosted the grain up 5 cents a bushel last week, with closing prices near the top at 67 cents a bushel. A temporary shortage of cash offerings

## SPOT PRICES OF IMPORTANT COMMODITIES

(New York Prices Except as Noted)

1. Farm Products.	2. Food Products.	3. Textile Products.	4. Fuels.	5. Metals.	6. Building Materials.	7. Chemicals.	8. Miscellaneous.	All Com-modities.
1938.								
Jan. 12.....	83.6	76.0	60.5	91.3	104.2	72.4	88.9	74.3
1938.								
Dec. 17.....	77.3	70.3	59.3	83.9	97.4	69.4	86.8	70.6
Dec. 24.....	79.6	71.1	59.4	84.1	97.4	69.4	86.8	71.5
Dec. 31.....	79.7	72.8	59.4	84.1	97.4	69.4	86.8	71.4
1939.								
Jan. 7.....	77.4	70.2	59.5	84.1	97.5	69.3	86.8	71.1
Jan. 14.....	77.8	69.9	59.3	84.1	97.4	69.3	86.8	70.2
Percentage changes for week from:								
Last week....	+ 0.5	- 0.5	- 0.4	0.0	- 0.2	0.0	0.0	- 0.1
Last year....	- 7.0	- 8.1	- 2.0	- 7.9	- 6.6	- 4.3	- 2.4	- 4.4
								- 5.8

\*Prices for previous Friday. \*\*Not quoted. n Nominal.

was given as the cause of the run-up, since the last crop of 252,000,000 bushels is considered ample.

## SILK

Among the minor commodities silk stole the show last week. In the largest trading in about three months, futures bounded forward 2 to 2½ cents to come within striking distance of the old peaks established early in November. On Monday another swift advance took place which carried some options into the highest ground witnessed since the middle of 1937. Trading was unusually active on Monday.

The brisk rise in futures was attributed to a sharp increase in prices in New York's "Uptown" silk market. Goods were said to be moving in fair volume, with the number of inquiries constantly increasing.

According to trade reports, mill consumption of silk in the first two weeks of this month was very large. Should the demand continue throughout the month, January silk consumption bids fair to be the largest since April, 1937, with the exception of last November, when 41,599 bales were used.

On a long-term basis it is extremely difficult to become very optimistic about prices. There are few commodities whose long-time consumption trend is as poor as that of silk.

## COTTONSEED OIL

In sharp contrast to the good action of silk, cotton oil futures sank into the lowest ground since the latter part of 1937 as speculators increased their short interests. According to trade reports, even the manufacturers failed to take any great interest in the market despite the fact that prices are now near a five-year low. All futures touched new lows last week, with January breaking the 7-cent level to close at 6.95, off 30 points.

Cottonoil has been suffering from intense competition from foreign oils in the last several months. In November, for example, 26,983 barrels of cottonoil were used in the manufacture of oleomargarine, a drop of 47 per cent, as contrasted with

usage in November, 1937. Oleomargarine production, on the other hand, declined less than 20 per cent to total 75,552 barrels last November.

In November cottonoil represented 36 per cent of "oleo" production, as contrasted with 54 per cent in November, 1937; coconut oil, 23 per cent against 15 per cent; soybean oil, 14 per cent against 6 per cent, and babassu oil, 2 per cent compared with 1 per cent in 1937.

## RUBBER

Rubber futures declined for the third straight week with losses running from 6 to 10 points. On Monday the market was very quiet with closing prices virtually unchanged. Rubber has now lost almost all of the gains made in December.

As was expected, December rubber consumption was good. According to figures released by the Rubber Manufacturers Association, consumption last month totaled 45,315 tons, slightly under usage in the preceding month, but with that exception the highest since June, 1937. Average daily consumption, after allowance for seasonal variation, was 1,743 tons, far above the 1,122 tons used in December, 1937, and the highest since September, 1937.

A feature of the December statistics was the sharp contraseasonal drop in stocks. At the end of 1938, after allowance for seasonal factors, domestic stocks totaled only 279,800 tons, a decline of almost 20,000 tons, as compared with stocks on Nov. 30, and the lowest since October, 1937.

Imports during December rose to an average of 1,216 tons per day, the highest since October, but far below the 2,209 tons imported during December, 1937, at which time producers were attempting to sell all possible before the new quota restrictions were imposed.

The present combination of rising consumption, declining stocks and slow imports is a bull point on prices, and more and more observers are beginning to believe the Dutch rubber interests may receive their semi-official "goal" of 20 cents a pound for crude rubber.

LA RUE APPLEGATE.

REPORT OF THE CONDITION OF THE  
UNDERWRITERS TRUST COMPANY

At the Close of Business on the 31st Day of December, 1938

## RESOURCES

Cash on hand including Gold and Silver bars and Bullion.....	\$ 774,819.00
Due from banks:	
Due from approved reserve depositories.....	\$2,293,498.07
Items in process of collection, including exchanges.....	290,284.22
	2,583,782.29
Bond and stock investments, viz.:	
United States Government securities (direct and fully guaranteed).....	\$3,372,368.93
Other public securities (Domestic).....	2,679,063.04
Other bond and stock investments.....	497,711.63
	6,540,142.60
10,105.83	
Loans and discounts secured by bond and mortgage, deed, or other real estate collateral.....	2,035,772.45
Loans, discounts, and bills purchased not secured by collateral.....	1,301,515.90
Bond and mortgages owned.....	146,897.20
Overdrafts.....	78.08
Real estate, viz.: Other real estate.....	4,274.30
Customers' liability on acceptances (per contra).....	74,619.19
Other assets.....	77,138.64
<b>TOTAL</b>	<b>\$13,558,145.65</b>
Deposits, viz.:	
PREFERRED (not secured):	
Demand.....	\$ 778,385.88
Time.....	872,846.11
SECURED:	
Demand.....	1,150,718.91
Time.....	964,734.42
NOT PRE- SECURED NOR SECURED	{ Including certified checks, cashier's checks, certificates of deposit, etc. }
Time.....	6,074,401.96
Time.....	1,704,494.28
Due to banks, trust companies, and bankers.....	8,933.66
Total Deposits	\$11,554,515.22
Liability on acceptances (per contra).....	76,619.19
Other liabilities.....	29,037.80
Capital account, viz.:	
Capital stock.....	\$1,000,000.00
Surplus and undivided profits.....	330,284.98
Dividends declared, not yet payable.....	1,830,284.98
Reserves.....	10,000.00
	59,688.49
<b>TOTAL</b>	<b>\$12,558,145.65</b>
MEMORANDUM: LOANS AND INVESTMENTS PLEDGED TO SECURE LIABILITIES	
United States Government Securities.....	\$ 344,370.49
Other bonds, stocks, and securities.....	1,975,065.67
Total pledged (excluding rediscounts).....	\$ 2,319,466.16
Pledged:	
Against U. S. Government and postal savings deposits.....	\$ 817,087.97
Against public funds of State of New York and municipal corporations authorized by the Legislature to require security.....	1,401,679.92
With Superintendent of Banks as required by law.....	90,714.70
For other purposes.....	983.57
Total pledged.....	\$ 2,319,466.16

## COMMODITY FUTURES PRICES

(Grains at Chicago; Others at New York)

## Daily Range

Cotton:	January	February	March	April	May	June	July	August	September	October	November	December
Jan. 9.....	\$28	\$28	\$35	\$30	\$10	\$7.88	\$7.80	\$7.37	\$7.32	\$7.39	\$7.35	
Jan. 10.....	8.25	8.28	8.34	8.25	8.09	7.98	7.84	7.73	7.36	7.26	7.38	7.28
Jan. 11.....	8.29	8.23	8.33	8.28	8.09	8.03	7.85	7.78	7.43	7.32	7.45	7.36
Jan. 12.....	8.31	8.28	8.36	8.31	8.15	8.08	7.91	7.81	7.51	7.42	7.50	7.45
Jan. 13.....	8.30	8.26	8.39	8.30	8.14	8.07	7.89	7.83	7.48	7.43	7.48	7.45
Jan. 14.....	8.35	8.33	8.43	8.36	8.15	8.12	7.92	7.86	7.52	7.45	7.56	7.56
Jan. 14 close.....	8.36	8.42	8.42	8.15		7.91	7.52				7.55	
Week's range.....	8.35	8.23	8.43	8.25	8.16	7.98	7.92	7.73	7.52	7.28	7.56	7.28
Previous week.....	8.49	8.27	8.53	8.26	8.31	8.03	8.07	7.78	7.69	7.28	7.73	7.33
Wk. Jan. 15, '38.....	8.59	8.43	8.60	8.44	8.70	8.54	8.77	8.60	8.80	8.68	8.87	8.72
Contract 1/9.51.....	7.72	9.25	7.70	9.27	7.65	9.13	7.60	8.01	7.26	7.73	7.28	
range (Fe. 23- Se. 26 Ap. 18 Se. 28 Jl. 17 Se. 27 Jl. 25 De. 5 Oc. 24 Ja. 10 Ja. 14 Ja. 10												

Traded week ended Friday, Jan. 13, 380,280 bales; previous week, 349,100.

Mar.	High.	Low.										
Wheat:												
Jan. 9.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 10.....	69	69	69	69	69	69	69	69	69	69	69	69
Jan. 11.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 12.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 13.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 14.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 14 close.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Week's range.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Previous week.....	70 1/2	69 1/2	71 1/2	69 1/2	71 1/2	69 1/2	71 1/2	69 1/2	70 1/2	70 1/2	70 1/2	70 1/2
Wk. Jan. 15, '38.....	69 1/2	69 1/2	70 1/2	69 1/2	70 1/2	69 1/2	70 1/2	69 1/2	70 1/2	70 1/2	70 1/2	70 1/2
Contract range (Fe. 23- Se. 26 Ap. 18 Se. 28 Jl. 17 Se. 27 Jl. 25 De. 5 Oc. 24 Ja. 10 Ja. 14 Ja. 10												

Traded week ended Friday, Jan. 13, 380,280 bales; previous week, 349,100.

Mar.	High.	Low.										
Wheat:												
Jan. 9.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 10.....	69	69	69	69	69	69	69	69	69	69	69	69
Jan. 11.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 12.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 13.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 14.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Jan. 14 close.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Week's range.....	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2	69 1/2
Previous week.....	70 1/2	69 1/2	71 1/2	69 1/2	71 1/2	69 1/2	71 1/2	69 1/2	70 1/2	70 1/2	70 1/2	70 1/2
Wk. Jan. 15, '38.....	69 1/2	69 1/2	70 1/2	69 1/2	70 1/2	69 1/2	70 1/2	69 1/2	70 1/2	70 1/2	70 1/2	70 1/2
Contract range (Fe. 23- Se. 26 Ap. 18 Se. 28 Jl. 17 Se. 27 Jl. 25 De. 5 Oc. 24 Ja. 10 Ja. 14 Ja. 10												

Traded week ended Friday, Jan. 13, 52,284 bushels; previous week, 77,311,000; year ago, 177,547,000.

## Weekly Range

<tbl\_header

# Canada to Consider Expansion in Defense Program; Newsprint Output Lower

CANADIAN business during the past week divided its attention between reports of changes in industrial activity and political news, as the fourth meeting of the Eighteenth Canadian Parliament got under way on Jan. 12. As had been expected, the Governor General's opening remarks dealt at considerable length with Canada's defense requirements.

Until recently Canada's expenditures for national defense were comparatively moderate, partly because of her isolated position, partly because of the Monroe Doctrine and partly because of the strength of the British Navy. But with world conditions becoming increasingly unsettled, many Canadians have come to believe that Canada to a greater measure should look out for herself and depend to a smaller degree on outside forces. Thus Lord Tweedsmuir pointed out that "two years ago appropriations for defense were substantially increased and a beginning made on a program of modernization to safeguard the country from dangers of attack."

"The government," he said, "intends to pursue this policy vigorously and to propose to Parliament that the program of defense should be further augmented and that particular emphasis should be laid upon air defense. Legislation will be introduced to establish a defense purchasing board with power to purchase equipment for the defense services and to insure that, where private manufacture is necessary, profits in connection with such are fair and reasonable and the public interest protected."

For industry, the new program will of course mean more armament orders. It should further stimulate Canada's small but growing aircraft industry, which at the same time will be receiving considerable support from Great Britain. The cost aspect of the program is less favorable. It will undoubtedly cause a greater disparity between income and expenditure and will not permit a lightening of the heavy tax load.

Other portions of the speech of interest to business were references to legislation dealing with employment, trade and grain marketing. Demands will be made for increased expenditure of public funds for road building, park improvement, etc., in order to reduce unemployment. In this connection it is interesting to note that the Governor General reported a substan-

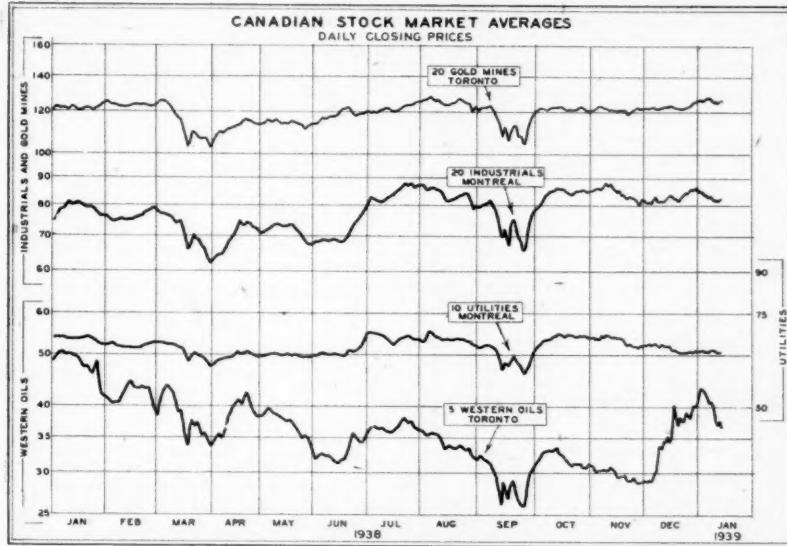
tial decline in the number of people on relief during the past year despite the marked drop in general business activity. Parliament will also be called upon to ratify the new Canadian-United States trade agreement.

If the past record of the present government means anything, it will be surprising if any very radical legislation is

production of 209,753 tons, mill stocks dropping to 161,438 tons from 177,157 tons at the end of November. For November, shipments amounted to 264,421 tons and production to 245,295 tons. For the year as a whole, the newsprint industry was severely handicapped by the large amount of newsprint in hands of publishers and by the business depression in the United

have purchased and their supplies are far below the record-breaking level of Dec. 31, 1937. The reduction in stocks was slower than had been anticipated because of a lag in advertising lineage. It is therefore encouraging that the November figures, the latest month available, made a favorable showing. Total lineage was about the same as in October but normally a substantial decrease takes place. The seasonally adjusted figure consequently increased substantially and stood at the highest level since December, 1937.

New construction demand in December, after allowance for seasonal fluctuations,



enacted at the present session. To date business has enjoyed considerable freedom from governmental interference, and friction between business and government leaders such as exists in the United States largely is absent.

The first of the important December statistics released during the past week showed divergent trends. Newsprint production dropped sharply to the lowest average daily rate since last August. The decrease, moreover, was well in excess of the usual seasonal decline and our adjusted newsprint index dropped to 66.9 from 71.1 for November. This compares with the 1938 high of 75.4 for October and the 1937 high of 104.0 for August. A brighter feature of the newsprint situation was the maintenance of shipments well above the level of production. Shipments totaled 225,472 tons as compared with

States, which further reduced demand. The statistical position, however, as the industry entered the new year was much better than that at the beginning of 1938.

## NEWSPRINT PRODUCTION (Tons)

	1938.	1937.	1936.	1935.
January	222,500	287,691	227,960	201,960
February	202,601	275,532	221,570	180,310
March	224,604	301,110	243,900	205,680
April	200,794	288,347	258,721	222,244
May	207,678	309,232	267,070	242,693
June	201,694	310,871	270,050	232,020
July	202,546	314,529	274,630	234,270
August	220,203	318,713	270,050	235,570
September	231,940	312,351	269,782	223,890
October	254,872	314,594	301,106	266,500
November	245,288	302,236	285,771	262,900
December	209,753	293,038	289,310	244,773

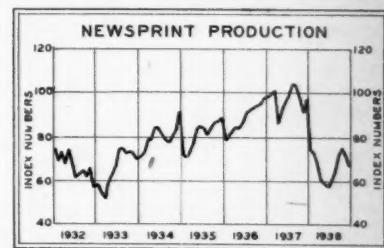
made the best showing for the year. Total contracts awarded, as compiled by MacLean Building Reports, were 30 per cent below the November level as compared with the usual seasonal drop of 43 per cent. The total was fractionally below the level for December, 1937, but, with the ex-

## CONSTRUCTION CONTRACTS AWARDED (Thousands of Dollars)

	1938.	1937.	1936.	1935.
January	9,140	6,622	13,610	10,220
February	6,552	8,729	8,228	10,672
March	10,418	16,058	10,299	8,499
April	15,028	24,427	9,815	11,379
May	18,590	24,171	14,963	16,302
June	20,928	30,370	20,803	18,521
July	21,158	21,485	17,869	18,549
August	22,113	24,831	15,536	23,837
September	19,535	21,715	16,559	14,743
October	18,111	20,170	14,957	14,925
November	15,020	14,716	13,840	8,291
December	10,523	10,763	6,119	4,365

Source: MacLean Building Reports. Description of that month, was the highest for any December since 1931.

Freight car loadings in December declined at about the usual seasonal rate. Total loadings amounted to 178,398 cars, as compared with 219,241 in November and 204,211 in December, 1937. After allowing for seasonal fluctuations, loadings were fractionally below the November level, our adjusted index declining to 65.1 from 65.3. Total loadings for the month were not only below the December, 1937, level but were also less than in December, 1936. For the final week of last year,



Week Ended

## Transactions on the Montreal Stock Exchange

Saturday, Jan. 14

STOCK EXCHANGE STOCKS			STOCK EXCHANGE STOCKS			STOCK EXCHANGE STOCKS			CURB MARKET STOCKS			CURB MARKET STOCKS			CURB MARKET MINING STOCKS				
Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
100 Acme G.	5	5	5	5 Dom Tex pf. 1494	1484	1484	1484	5 Ott Pow	75	75	75	10 Can Bread	51	51	51	115 Page Her.	104	103	104
55 Agnew	10	10	10	182 Dryden	514	514	514	15 Ott Pow pf	99	99	99	100 Can Bud	41	41	41	10 Paton pf.	110	110	110
60 A P Grain	214	214	214	310 Electr.	141	141	141	60 Pemmans	43	41	43	1,468 Can Sug.	284	284	284	176 Pow C 1 pf	102	102	102
65 Am El	214	214	214	55 Eng. El.	311	311	311	1,347 Pow C	124	12	12	335 Can Malt	341	341	341	130 Prov Tr.	74	7	7
160 A Brew	16	16	16	320 Fndt.	111	11	11	1,902 Price	184	17	17	71 C N Pw pf. 112	110	110	110	10 Que Tel.	45	41	41
315 Algoma Stl.	124	124	124	592 Galt	134	134	134	300 Pow	17	17	17	415 Can Brew.	41	41	41	50 Rel Gra.	41	41	41
65 Alg Stl pf.	664	664	664	533 Gatteaures	88	88	88	100 Regent	20	20	20	121 Can Br. pf.	22	22	22	340 Galtalite	43	41	41
655 Gauthier	664	664	664	405 Gatteaures	31	31	31	50 Holland	11	11	11	25 Cdn P&P I.	50	50	50	59 S Can Br. pf	108	108	108
125 Bell Gr.	14	14	14	422 G Stl war	74	74	74	10 Rolland	11	11	11	5 Cdn P&P I.	41	41	41	3,152 Pendl. Or.	1.75	1.75	1.75
100 Biffl Gr.	15	15	15	145 G Stl war pf	70	774	774	10 Rolland Pr.	974	974	974	75 Cdn Vick.	9	9	9	906 Pick Cr.	1.50	1.50	1.50
548 Bell	168	167	168	76 Gdyear	57	57	57	175 Sag Pow pf	105	105	105	25 Cdn Vi pf.	41	41	41	2,456 Placer Dev.	14%	14%	14%
8,055 Brazil	94	94	94	107 Gurd.	6	54	54	635 Sti Corp.	41	4	41	75 Cdn Vick.	41	41	41	1,700 Preston	1.57	1.57	1.57
1,640 Bc Pow	254	24	24	250 Gypsum	54	54	54	285 Sti Corp A pf	15	14	14	25 Cdn Vi pf.	41	41	41	607 Walkers	494	484	484
200 Bc Br.	29	29	29	456 Imp. Robt.	74	74	74	75 Sti Flur pf	120	120	120	270 Corp. Al.	21	21	21	3,900 Alderman	.50	.47	.47
2,210 Bridge Pro	18	18	18	3,587 Hilt.	13	13	13	1,342 Steel	73	73	73	350 Com Al pf.	54	54	54	2,605 Sherbit.	.35	.31	.31
672 Can Cem	94	94	94	328 How. Smth	13	13	13	309 Sti pf.	72	71	71	2,500 Beaufor.	13	13	13	3,475 Simeone	.15	.15	.15
55 Can Cem	94	94	94	18 How Smth	96	96	96	202 Tuckett pf.	160	160	160	1,875 Cdn Br. Alcr.	27	27	27	2,200 St. John	.17	.17	.17
15 Can Frg	13	13	13	415 Imp. Robt.	74	74	74	100 Unif. Steel	6	6	6	1,090 Big Mo.	274	274	274	52,508 Stade.	.57	.57	.57
335 Can N Pow	15	15	15	456 Imp. Robt.	74	74	74	1,070 Dom Store	6	5	5	1,025 Bur. Cad.	18	18	18	100 Sud. Bas.	.27	.27	.27
256 Can Sf. pf.	94	94	94	456 Imp. Robt.	30	30	30	597 Dom Ann.	5	5	5	4,900 Brownie.	.04	.04	.04	2,500 Sullivan	.98	.98	.98
2,047 Cdn Br.	174	174	174	456 Imp. Robt.	45	45	45	15 Dom Ann.	5	5	5	6,678 Builoje.	.27	.27	.27	600 Sylvanite.	.35	.35	.35
1,494 Cdn Br. Cm	134	134	134	554 Nickel	554	524	524	237 Wt. El. A.	2	1.75	1.75	70 Dairy pf.	41	41	41	2,500 Reward.	.05	.05	.05
465 Cel pf.	102	102	102	1,350 Int. Pow.	27	26	26	28 Wt. El. B.	9	.81	.81	1,800 Can Mal.	1.00	1.00	1.00	19,700 Shawkey.	.04	.03	.03
15 Cel Ri.	174	174	174	1,005 Int. Pow.	3	3	3	197 Pow. Deba.	50	50	50	16,000 Cap. Rouyn	.03	.024	.024	2,605 Sherbit.	.35	.31	.31
80 Cdn Cott pf.	101	101	101	168 Int. Pow.	77	77	77	30 Zeller's pf.	25	25	25	1,522 Ford A.	23	23	23	2,147 Dunc.	.24	.23	.23
20 C F Inv.	74	74	74	188 Jam Ps. pf.	129	129	129	42 Can Nat.	165	165	165	1,582 Cent Cad.	.21	.20	.20	900 Cent Pat.	.27	.25	.25
310 Alcohol A.	24	24	24	1,367 N Brew.	41	41	41	85 Com	176	174	174	1,582 Cent Cad.	.21	.20	.20	740 Wa			

loadings amounted to 31,072 cars, as compared with 38,371 cars in the preceding week and 36,374 cars in the corresponding week of last year. After adjustments for holidays and seasonal fluctuations, loadings showed a gain, the Dominion Bureau of Statistics index rising to 70 from 67.20, for the week ended Dec. 24.

Reflecting the sharp cut in allowables on Oct. 28 because of reduced demand during the winter season, petroleum production in November dropped sharply to 445,514 barrels from 685,088 barrels for October and 886,111 barrels in September; for November, 1937, output totaled 341,627 barrels. Drilling activity remained at a high level, although recently weather conditions have seriously hampered this work. According to Alberta government records, the following wells were completed in November: Anglo-Canadian No. 1 at 8,222 feet; Royalite No. 34 at

7,500 feet; Command No. 1 at 7,908 feet, and West Turner 1-3 at 7,850 feet.

Flour production declined sharply in November although normally a marked increase occurs. Because of this contrary to seasonal decline, our adjusted index of flour production dropped to 77.8 from 99.3 for October. Output as reported by the Dominion Bureau of Statistics totaled 1,605,557 barrels equal to 71.5 per cent of capacity as compared with 1,906,385 barrels in October, equal to 83.6 per cent of capacity.

Production of leather footwear in No-

ever, output was 10.3 per cent less than in the corresponding period of 1937.

Gold production in November totaled 410,023 ounces as compared with 411,263 in the preceding month and 353,281 in the corresponding month of 1937. After

THE ANNALIST INDEX OF CANADIAN BUSINESS ACTIVITY

	Nov.	Oct.	Sept.
	1938.	1938.	1938.
Freight car loadings	65.3	69.3	68.5
Electric power production	86.8	85.7	88.3
Automobile production	114.4	58.0	86.0
Newspaper production	71.1	75.4	72.1
Steel ingot production	81.5	71.5	70.0
Pig iron production	53.8	65.3	60.6
Copper exports	154.6	112.4	151.6
Nickel exports	190.9	175.9	167.4
Coal production	95.1	88.3	79.0
Rubber imports	76.1	86.6	40.9
Cotton imports	138.0	145.0	96.6
Flour production	77.8	99.3	94.7
Cattle slaughtered	102.2	95.6	103.3
Hogs slaughtered	120.7	134.6	132.4
Board and plank exports	100.7	80.6	81.0
Building permits	24.4	48.8	28.3
Combined index	82.5	81.9	78.0

adjustment for seasonal variation, production per day stood at the highest level since July, 1937, and, with the exception of that month, was the highest on record. Ontario operators reported an output of 246,382 ounces as compared with 250,113 for October; Quebec 77,463 ounces against 73,637; British Columbia 52,045 against 50,765; Manitoba and Saskatchewan 19,392 against 20,962. Alluvial gold production in the Yukon and lode gold in the Northwest territories totaled 12,556

compared by Wood, Gundy & Co. period, and 2.26 per cent below the all-time high attained during 1937. Output for December amounted to 107,811,190 kilowatt-hours, 0.88 per cent under the figure for the similar period in 1937, which represented the greatest electricity output ever recorded for the month in the history of the company. Gas output for 1938 amounted to 4,942,857,000 cubic feet, 1.30 per cent less than the 1937 amount.

Production of leather footwear in No-

week ended Dec. 12 12

1000 \*Bear P. 8% 8% 8%

1000 \*Bear P.

## Financial News of the Week

**I**N the fiscal year ended Sept. 30, 1938, the Nash-Kelvinator Corporation incurred a loss of \$7,655,139 as compared with net profit of \$3,640,748, or 85 cents a share, in the preceding fiscal period. Sales of the company dropped severely, totaling only \$54,100,000 in the year ended Sept. 30, as contrasted with \$80,550,000 in the previous year. Sales were adversely affected by the sharp drop in automobile sales as well as the even steeper decline in sales of electric refrigerators. There has been a substantial improvement in the automobile market but thus far little betterment has taken place in sales of refrigerators.

In the three months ended Sept. 30 the company lost \$2,329,000, after seasonal adjustment, a slight improvement as compared with the preceding three months but far below the adjusted profit of \$1,272,000 shown in the third quarter of 1937. Losses sustained in the middle of last year were the largest ever incurred by the two companies.

Nash-Kelvinator was formed on Jan. 4, 1937, as a consolidation of the Nash Motors Corporation, long established independent manufacturer of motor cars, and Kelvinator Corporation, leading producer of electric refrigerators, air-conditioning apparatus and the like. The old Nash stock was exchanged share for share, while 1% shares were issued for each share of Kelvinator Corporation.

TABLE II. HUDSON MOTOR CAR  
New Passenger Car Registrations

	Monthly 1938.	Aver. Daily 1937.	Season. Adj. 1938.	1937.
January	2,907	8,546	141	415
February	2,884	7,389	159	406
March	4,236	10,131	154	369
April	4,166	7,936	100	191
May	3,612	9,293	92	238
June	3,342	9,894	98	291
July	2,962	9,500	99	307
August	2,854	8,410	128	390
September	2,020	5,430	142	379
October	2,509	4,295	235	404
November	4,718	4,974	242	255
December	4,289	...	155	

Sales of Nash cars, as revealed by registration figures, have declined somewhat more than sales of the entire industry. In the eleven months ended November, 28,119 new Nash automobiles were registered, a drop of 58 per cent as compared with 66,889 cars in the corresponding months of 1937. Sales in November, moreover, totaled only 1,909 cars, a drop of 48 per cent as contrasted with November, 1937.

Registrations of the entire industry in the eleven months ended November, were 1,664,000 units, according to R. L. Polk & Co., a loss of one-half as compared with the corresponding months of 1937. Registrations in November, however, were 200,853 units, actually 4,000 cars ahead of the same month in 1937.

While no official figures have been released, sales of Kelvinator refrigerators have probably followed the trend in total refrigerator sales. About 1,240,000 refrigerators were sold last year, a sharp drop as compared with 2,310,000 in 1937. Volume in the closing months of 1938, moreover, was scraping along the bottom.

Table I gives important items from the annual reports of Nash-Kelvinator for the past two fiscal years. Operating results for the two old companies are also shown. For income and balance sheet figures on Nash Motors back to 1924 see THE ANNALIST of Oct. 18, 1935.

In the third quarter of last year the Hudson Motor Car Company incurred an adjusted loss of \$1,442,000 as compared with an adjusted loss of \$565,000 in the three months ended Sept. 30, 1937.

In the first nine months of last year the independent automobile manufacturer operated at a loss of \$4,442,000 as compared with a profit of \$258,378, or 18 cents a share, in the corresponding months of 1937.

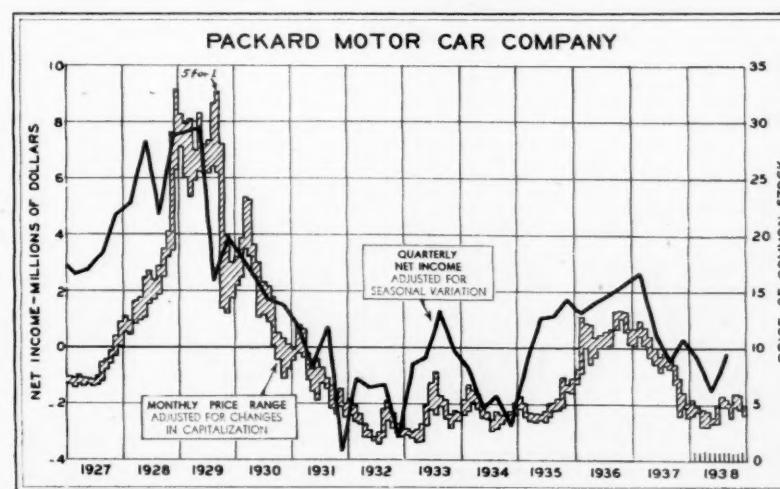
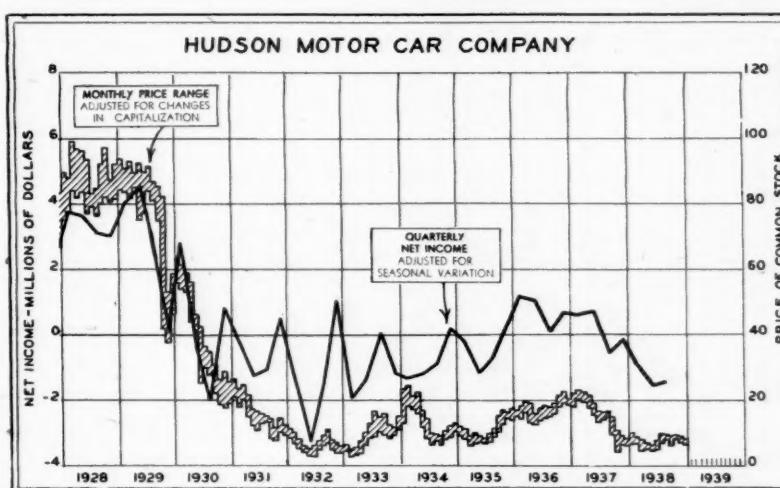
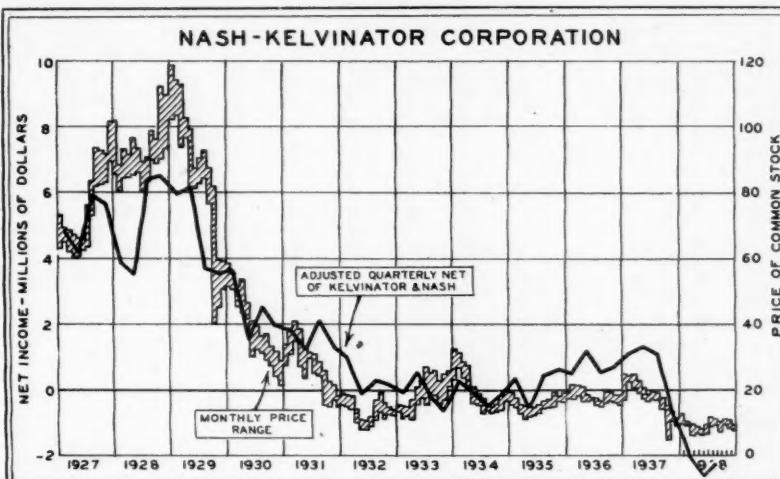


Table I. Nash-Kelvinator Corporation

	(Thousands)					
	Net Sales.	Cost of Sales.	% Cost to Sales.	Net Income.	Earned a Share.	Total Dividends. for Yr.
Dec. 1, 1936, to Sept. 30, 1937*	\$80,554	\$66,345	82.3	\$3,640	50.85	\$3,194
Year ended Sept. 30, '38	54,113	50,884	94.0	7,655	11.78	1,602
Invested Capital.						\$197
Sept. 30, 1937.	\$49,013	7,42	\$13,975	\$14,357	\$31,873	4.47
Sept. 30, 1938.	40,061	119.09	13,347	12,688	21,501	6.84

Operating Results of Nash Motors Company

Years ended Nov. 30.	Net Sales.	Cost of Sales.	% Cost to Sales.	Net Income.	Earned a Share.	Total Dividends. for Yr.
1931	\$35,928	\$30,488	84.9	\$4,808	\$1.78	\$9,555
1932	15,331	14,338	93.4	1,030	0.39	4,095
1933	8,984	10,024	111.5	d1,189	d0.45	1,985
1934	19,671	21,454	109.0	d1,625	d0.61	1,985
1935	27,812	28,589	102.8	d610	d0.23	2,646
1936	30,966	30,342	97.9	1,021	0.39	2,647

Operating Results of Kelvinator Corporation

Years ended Sept. 30.	Net Sales.	Total Income.	Deprecia- tion.	Net Income.	Earned a Share.	Total Dividends. for Yr.
1931	\$20,011	\$2,747	\$505	\$1,762	\$1.54	\$1,762
1932	16,539	796	490	103	0.09	103
1933	16,969	1,785	498	724	0.64	724
1934	23,240	1,837	515	1,203	1.08	\$561
1935	24,224	1,751	530	1,199	1.05	800
	31,669	2,259	553	1,552	1.34	808

\*Includes operations of Kelvinator from Jan. 4, 1937, to Sept. 30, 1937. d Deficit.

Sales of Hudson cars have likewise declined more than for the entire industry. In the eleven months ended November, 36,210 Hudsons were registered, a drop of 60 per cent as compared with 90,087 in the first eleven months of 1937. Sales in November, however, were more satisfactory and were only slightly below retailings in the corresponding month of 1937. Detailed figures are given in Table II.

In the third quarter of last year Packard Motor Car incurred an adjusted loss of \$164,000, the best showing since the final three months of 1937, as compared with an adjusted loss of \$435,000 shown in the three months ended Sept. 30, 1937.

In the first nine months of last year the company lost \$3,298,790, the poorest showing since the days of the 1929-32 depression. In the corresponding months of 1937 the company earned \$1,494,204, or 10 cents a common share.

TABLE III. PACKARD MOTOR CAR  
New Passenger Car Registrations

	Monthly Totals 1938.	Aver. Daily 1937.	Season. Adj. 1938.	1937.
January	3,467	6,562	208	394
February	3,262	6,587	216	377
March	4,799	10,309	175	337
April	5,186	12,615	138	336
May	4,750	11,400	137	329
June	4,109	10,074	138	338
July	3,782	9,150	150	350
August	3,455	7,720	149	345
September	2,673	4,720	148	261
October	4,613	5,556	163	196
November	4,857	5,678	189	220
December	5,042	...	214	

Packard has one of the best sales records among the independent automobile manufacturers. Unit sales in 1937, for example, were substantially above sales in 1929 largely because of the introduction of lower-priced models. In the first eleven months of last year, 44,953 Packards were registered, just about one-half of the number sold in the corresponding months of 1937. Detailed figures are given in Table III.

## INDUSTRIALS

Figures in Parentheses Give Date of Last Previous Item

**Alaska Packers Association**—Directors have voted to pass the quarterly dividend which normally would have been paid on Feb. 10.

**American Car and Foundry Company**—See item under Pennsylvania Railroad and Southeastern Greyhound.

**Bellanca Aircraft Corporation** (3-4-38)—A registration statement has been filed with the SEC covering 100,000 shares of common stock of \$1 par value.

Net proceeds of the company, estimated at \$742,000, will be used as follows: For the design, development and construction for demonstration purposes of two types of military aircraft, \$200,000; for additional plant equipment, \$60,000; for working capital to cover expenditures for material and labor before payments on contracts which may be received (1) for military aircraft, (2) for the Bellanca Junior and (3) for other models now produced and also for possible extension of the corporation's operations to the Dominion of Canada and for other corporate purposes.

The additional equipment is to be used at the Newcastle plant for manufacture of all metal aircraft and will consist principally of metal working machinery. Materials to be purchased will consist principally of raw materials and finished parts used in the manufacture of aircraft.

According to an underwriting agreement, Tobey & Co. has agreed to buy 5,000 shares at \$6.50 per share within ten days after the effective date of the registration statement, of which 1,000 shares will be sold to Miles Sherover of New York City at the same price as a personal investment. Tobey & Co. also will have the right to purchase all or any part of 45,000 additional shares at \$6.50 per share within ninety days after the effective date.

Subject to the completion of the foregoing transactions, Tobey & Co. may buy an additional 50,000 shares at \$6.50 per share within 180 days after the effective date.

**Bethlehem Steel Corporation** (12-14-38)—The company last week booked orders for about 25,000 tons of heavy steel.

**Budd (E. G.) Manufacturing Company** (11-16-38)—See item under Pennsylvania Railroad.

**California Exploration Company**—See item under Transamerica Corporation.

**Cleveland Cliffs Iron Company** (12-24-37)—Directors have approved for submission to

stockholders on Feb. 2 a plan for refunding the company's \$13,230,000 of 4% per cent bonds which E. B. Greene, president, said would be called for redemption on March 15 at 106.

Funds will be provided by the sale of \$11,500,000 of first-mortgage and collateral trust bonds dated Feb. 1, 1939, and due on Feb. 1, 1951, and \$2,500,000 of serial notes maturing \$500,000 annually through Feb. 1, 1944. The notes are to carry interest at rates varying from 1½ to 2½ per cent and averaging 2.16 per cent. They will be taken by three banks, while the bonds will be sold to five insurance companies. Both bonds and notes will be sold at par.

**Consolidated Chemical Industries, Inc.**—Directors voted to defer action on the quarterly dividend of 37½ cents a share on \$1.50 Class A participating stock.

**Crocker-Wheeler Electric Manufacturing Company**—Edmund Lang, president, has announced the booking of new business in excess of \$250,000.

**Freedom Oil Works**—See item under Socony-Vacuum.

**Fyr-Fyter Company**—Directors have deferred quarterly dividend on \$1 Class A stock. Last payment was 25 cents a share on Oct. 15, 1938.

**General Electric Company** (11-30-38)—The company received orders amounting to \$65,419,265 in the fourth quarter, compared with \$73,997,063 in the final quarter of 1937, a decrease of 14 per cent. Orders for all of 1938 were \$252,176,223, against \$379,273,619 in 1937, a decline of 34 per cent.

**Beward Aircraft Corporation**—A registration statement has been filed with the SEC covering 500,000 shares of \$1 par value common stock and warrants evidencing rights to purchase 100,000 shares of common stock.

**Jones & Laughlin Steel Corporation** (7-1-38)—See item under Illinois Pipe Line.

**Mission Corporation** (5-20-38)—The company has acquired an additional 50,000 shares of the common stock of the Tide Water Associated Oil Company. Mission now holds 996,923 shares of Tide Water Associated.

**National Tube Company**—See item under Illinois Pipe Line.

**Paramount Pictures, Inc.** (1-11-39)—The board of directors at a special meeting voted to call for redemption at an early date \$5,000,000 of the company's 6 per cent debentures, at par and accrued interest, payment to be made out of excess cash balances augmented by a small six-year bank loan.

It is expected that the company's consolidated cash position after call and payment of the \$5,000,000 of debentures will be in excess of \$10,000,000. The interest saving accruing to the company as a result of the debt retirement will amount to about \$200,000 annually, it was announced.

**Pathé Film Corporation** (12-21-38)—Directors will meet this week to promulgate a plan of corporate simplification to replace the program that failed of adoption in December, when an insufficient number of assets were received in time to complete the transaction during the calendar year.

**Philadelphia and Reading Coal and Iron Company** (10-10-38)—A group of minority bondholders asked Federal Judge Oliver B. Dickinson on Jan. 10 to appoint trustees for the company "for the purpose of suing its directors for any loss found through waste and mismanagement."

Judge Dickinson referred the request to Howard Benton Lewis, special master, who is conducting hearings on the company's reorganization under the Federal bankruptcy laws.

**Pilot Full Fashion Mills, Inc.**—A group headed by R. S. Dickson & Co., Inc., has offered 15,000 shares of 6½ per cent \$20 par preferred stock and 60,000 shares of \$1 par common stock in units consisting of one preferred and four common shares at \$4 per unit.

**Pullman Standard Car Manufacturing Company** (8-14-38)—See item under Pennsylvania Railroad.

**R. J. Reynolds Tobacco Company** (4-15-38)—Net earnings last year were \$23,734,305, equal to \$2.37 a share on the combined 10,000,000 shares of common and Class B common stocks outstanding, according to the annual report for 1938 released by James A. Gray, president. In 1937 the company earned \$27,602,372, or \$2.76 share.

Net sales of \$282,265,015 for the year compared with a \$302,999,161 volume shown in 1937.

**Socony-Vacuum Oil Company** (10-12-38)—The company is negotiating for acquisition of the Freedom Oil Works, Freedom, Pa., operating a bulk distributing plant and about 100 service stations in Western Pennsylvania and Eastern Ohio. The company sells about 7,000,000 gallons of oil products annually.

**Sun Oil Company** (10-12-38)—On Dec. 1 the Sun Oil Company sold \$12,000,000 of ten-year 2% per cent debentures to the Equitable Life Assurance Society of the United States, according to a report to the SEC, released at the New York Stock Exchange. The proceeds will be used for the construction of refining units at Marcus Hook, Pa., and Toledo, Ohio.

**Tide Water Associated Oil Company** (8-6-37)—See item under Mission Corporation.

**Union Bag and Paper Corporation** (1-4-39)—The company will offer to its stockholders on or about Jan. 21, next, 210,455 new shares of no-par capital stock, at a price to be named, in the ratio of one share of

new stock for every five shares of stock now held. Rights to subscribe would expire on or about Feb. 3. E. H. Rollins & Sons, Inc., and Blyth & Co., Inc., will underwrite the offering.

**Youngstown Sheet and Tube Company** (12-28-38)—See item under Illinois Pipe Line.

#### RAILROADS

**Alleghany Corporation** (11-30-38)—Attorneys for George A. Ball of Muncie, Ind., and the George and Frances Ball Foundation filed in the Federal District Court in Indianapolis, Ind., on Jan. 12, a joint answer to a five-million-dollar damage suit, denying allegations of manipulation of securities of the Alleghany Corporation, holding company of the Van Sweringen railroad system.

**Missouri Pacific** (11-2-38)—The cleavage between supporters of the Boyd doctrine, which would wipe out security holders in bankruptcy where their equity appears contemporaneously to have evaporated, and which has been followed by the Interstate Commerce Commission in recent reorganization cases, and those upholding the doctrine of composition, of whom Ernest S. Ballard of Chicago has been a leader, was defined more clearly last week when Mr. Ballard filed for the Missouri Pacific a brief with the I. C. C.

Most voluminous of a score of exceptions filed by virtually every class of the Missouri Pacific's security holders, the debtor's exceptions and supporting brief filed by Mr. Ballard were devoted in large measure to polishing the arguments for the composition bankruptcy doctrine which he had presented to the I. C. C. in other reorganization cases under Section 77 of the Bankruptcy Act.

R. H. Jewell, examiner for the I. C. C., whose plan of reorganization of the Missouri Pacific is the target of all the exceptions now on file with the commission, recommended that the Missouri Pacific's stockholders be eliminated from participation in the reorganized company.

**New York Central Railroad** (12-7-38)—Since the New York Central Railroad cannot retire all outstanding obligations of itself and lessor companies out of current income as they become due, the "management should have reasonable latitude for exercise of discretion" as to which issues or parts of them should be retired, John Puryear, assistant to the vice president of the Central, set forth in a letter answering criticism of proposed refunding of some of the maturing issues of leased lines, it was learned last week.

On Jan. 7 the I. C. C. asked the road for more information concerning the application of the Cleveland, Cincinnati, Chicago & St. Louis Railroad, or the Big Four, to issue \$29,040,000 of refunding and improvement mortgage bonds, Series F, to be delivered to the New York Central in payment of advances, and of the New York Central to assume liability in respect to the bonds.

The commission asked what need there was for refunding Series C and D bonds and remarked that if this were done there would be relatively only a small permanent reduction in the debt.

**New York, New Haven & Hartford** (1-11-39)—The I. C. C. has set Feb. 27 as the date for a public hearing on the reorganization of the road, at which amended plans and other recommendations will be considered.

**New York, Ontario & Western Railroad** (11-26-37)—The road has in Federal court a plan of reorganization under which fixed interest charges would be reduced from \$1,288,642 to \$88,667 annually.

Under the plan, which is subject to approval of the I. C. C., as well as of the Federal court, the funded debt of the reorganized company would amount to \$7,492,038. The capitalization would consist of 166,701 shares of 5 per cent preferred stock of a par value of \$100 a share and 128,829 shares of common stock of no par value.

**Pennsylvania Railroad** (12-28-38)—The road announced last week that it would buy fifteen dining cars and twelve coaches. The Edward G. Budd Manufacturing Company will build five of the diners and the coaches of welded steel. The Pullman Standard Car Manufacturing Company will build five of the diners of aluminum alloy and the American Car and Foundry Company will build the five others of high-tensile steel.

**Union Pacific Railroad** (1-4-39)—The road is to buy more than 100,000 tons of rail at a cost of nearly \$5,000,000 to be used in 1939. W. M. Jeffers, president, said the purchase would be the largest of its kind for use west of Chicago in years.

The rail will weigh 131 pounds to the yard. Included in the total tonnage will be about 30,000 tons of fittings. The rails would provide 360 miles of track.

#### UTILITIES

**Associated Gas and Electric Company** (1-11-39)—The SEC, contending that it had reasonable grounds to believe that the registration form covering 1934 and annual reports for 1935, 1936 and 1937 filed by Associated Gas contained statements which were false and misleading, has called a hearing for Feb. 14 to determine whether the utility holding company's Class A \$1 par value stock should be suspended or withdrawn from registration and listing on the New York Curb Exchange, the Boston Stock Exchange and the Los Angeles Stock

Exchange, and the \$1 par common stock from the Boston Stock Exchange.

**General Telephone Corporation** (12-3-37)—The company has reported that its operating subsidiaries had a net gain of 1,009 telephones in service during December, compared with an increase of 1,124 instruments in December, 1937. During 1938 the corporation had a total net gain of 13,997 telephones in operation, against a gain of 28,105 in 1937.

**New York State Railways** (12-31-37)—A "modified" reorganization plan of the Syracuse system of the company, to take immediate effect, was approved last week by the New York Public Service Commission.

The approval order, which must be filed with the United States Court of the Northern District, the commission said, provides that on organization of a new corporation all applications for issuance of securities, and acquisition or transfer of property, must be made to the commission.

**North American Company** (1-4-39)—James F. Fogarty, president, announced last week that a special meeting of shareholders of the utility would be held on Jan. 30 to vote on the recently announced plan of the company whereby it was to issue and sell about \$105,000,000 of debentures and preferred stock.

**Saxon Public Works**—The German electric power company has asked holders of its 6 per cent guaranteed gold notes due July 15, 1937, residing outside of Germany, to extend the time of payment of the principal of these notes by five years to July 15, 1942, at the rate of 2 per cent annually, payable in United States dollars.

It is provided, however, that in case the German Foreign Exchange Control Authority shall, with respect to any interest date, not approve acquisition of dollar exchange sufficient to pay the interest, the company will pay interest on the notes voluntarily extended at 4½ per cent annually, such interest to be payable in accordance with exchange regulations.

To noteholders not desiring to accept this offer the company offers to pay the principal of the matured notes in blocked Reichsmarks by deposit with the Deutsche Bank or other German bank authorized to accept such deposits. Both offers are subject to acceptance on or before April 14, 1939.

**Southwest Natural Gas Company**—Directors have taken no action on dividend on Series A \$6 preferred stock. Last payment was 25 cents a share on Oct. 1, 1938.

**Texas Power and Light Company**—The sale of certain electric facilities of the company, a unit in the \$3,000,000 Electric Bond and Share Company system, to the Lower Colorado River Authority, the TVA of the Southwest, appeared as a distinct possibility last week when it was disclosed that the private utility had formally notified the Authority of its willingness to sell electric properties in sixteen Central Texas counties for \$5,000,000.

Previously the Reconstruction Finance Corporation, through its chairman Jesse Jones, notified the Authority that it would advance the Federal Power Agency \$5,000,000 as a loan to be secured by revenues from the properties the Authority desired to acquire and operate as municipal projects. About three weeks ago the private company offered to sell its properties in the districts surrounding the Authority for \$7,389,016, including its ice and water facilities. Later this price was reduced to \$6,584,577, eliminating the ice and water units.

**Western Union Telegraph Company** (11-2-38)—Roy B. White, president, has announced that preliminary estimates indicate operating revenues of about \$82,000,000 for the company during 1938. Net loss for the year, he said, will be about \$1,700,000, a figure somewhat better than earlier anticipated, due to the improvement in September and December. Operating revenues, he added, would decrease about 8.8 per cent from 1937, and be accompanied by a decrease of 8.6 per cent in operating expenses, exclusive of an increase in depreciation and taxes of about \$3,000,000.

#### MISCELLANEOUS

**Adams Express Company** (1-11-39)—The trust has officially reopened its offer to exchange 4½ per cent debentures due in 1946 for outstanding 4 per cent bonds of two separate collateral trust issues due in 1947 and 1948, respectively, on a par-for-par basis. This is the third such offer. Under offers made in 1936 and 1937, the company issued \$5,218,500 of its 4½s in exchange for \$2,866,000 of the 1947 issue and \$2,352,500 of the 1948 issue.

In renewing its exchange offer, the company said the collateral securing the 4 per cent bonds has a current market value equal to about 10 per cent of the principal amount outstanding in the case of the 1947 issue and to about 65 per cent in the case of the 1948 issue. The purpose of the offer, it was said, was to permit the withdrawal of railroad securities held as collateral for the bonds and thus to provide greater flexibility in management of the company's investments.

**Bankers Trust Company**—Net operating earnings in 1938 were \$7,122,032, equal to \$2.85 a share on the bank's capital stock. They compared with \$7,369,114, or \$2.95 a share earned in 1937.

In addition the bank had miscellaneous net recoveries amounting to \$409,711. After payment of dividends of \$5,000,000, undivided profits were increased by \$2,531,743

to \$29,464,116 at the year's end. Total earnings available for dividends equaled \$3.01 in 1938, against \$3.20 in 1937.

**Best & Co.** (9-14-38)—Directors have authorized an extra dividend of 25 cents on the common stock in addition to the regular quarterly distribution of 40 cents a common share. Both are payable on Jan. 26 to stock of record Jan. 20. Directors also declared the regular semi-annual dividend of 3 per cent on the preferred stock of the corporation, payable on Jan. 28 to holders of record at the close of business on Jan. 27, 1939.

**Chase National Bank** (2-12-37)—Net earnings for 1938 amounted to \$14,486,000, equivalent to \$1.96 a share on the capital stock, compared with \$15,016,000, or \$2.03 a share in 1937.

**Illinois Pipe Line Company**—The Jones & Laughlin Steel Corporation, the National Tube Company and the Youngstown Sheet and Tube Company have divided an order for 15,000 tons of pipe placed by the company, division of the Ohio Oil Company.

**Montgomery Ward & Co.** (1-4-39)—December sales were \$57,084,529, the largest monthly figure in the history of the firm. The total was 11.15 per cent higher than in December, 1937. For the first eleven months of the fiscal year that ends on Feb. 1 sales were \$408,044,956, a decrease of 0.65 per cent in the year.

**Manufacturers Trust Company** (6-24-38)—Net earnings in 1938, after all expenses and taxes and after deducting dividends on preferred stock outstanding and providing for amortization of the premium on bonds bought above par, amounted to \$6,652,881, or \$4.03 a share, as compared with earnings of \$4.46 a share in 1937.

It is provided, however, that in case the German Foreign Exchange Control Authority shall, with respect to any interest date, not approve acquisition of dollar exchange sufficient to pay the interest, the company will pay interest on the notes voluntarily extended at 4½ per cent annually, such interest to be payable in accordance with exchange regulations.

Owing to the changes in procedure, the earnings as reported were not strictly comparable with those reported a year before. The earnings for 1937, figured on the same basis as those for 1938, amounted to \$9,584,953, including \$2,081,549 of bond profits.

Net earnings for 1938 were equal to \$1.70 each on the 6,200,000 common shares outstanding, while the comparable figures for 1937 would equal \$1.54 a share. The City Bank Farmers Trust Company, an affiliate of the National City, earned \$909,929 in 1938, including bond profits, compared with \$2,026,004 in 1937. Of these earnings \$700,000 was transferred to reserves and the balance of \$209,929 was added to undivided profits. No dividends were paid by the trust company in the year.

**New York Stock Exchange**—Changes in listing fees designed to give the New York

Continued on Page 94

## CORPORATE NET EARNINGS INDUSTRIALS

Company:	Net Income	Earnings	1938.	1937.
American Light & Traction Co.:				
12 mo., Nov. 30.	\$4,813,042	\$5,097,766	\$1.45	\$1.77
Atlantic Gulf & W. I. Steamship Lines:				
11 mo., Nov. 30.	*\$46,272	*159,750		
Automatic Voting Machine Corp.:				
Yr. Nov. 30...	526,546	384,747	1.46	1.01
Byers Co., A. M.:				
Yr. Sept. 30...	*606,760	93,223		p.64
Cuneo Press, Inc.:				
10 mo., Oct. 31.	813,643			
Julian & Koenig Co.:				
Yr. Oct. 31...	221,239	308,573	1.68	2.35
Lakey Foundry & Machine Co.:				
Yr. Oct. 31...	9,124	125,052	h.02	h.28
Lowell's Boston Theatre Co.:				
Yr. end. Aug. 31	302,125	319,267	1.94	2.06
Madison Square Garden Corp.:				
Nov. 30 qr....	145,063	147,239		
6 mo., Nov. 30.	8,056	*28,851		
Manhattan Shirt Co.:				
Yr. Nov. 30...	159,134	288,777	.73	1.32
Masonite Corp.:				
16 wks., Dec. 17	219,512	339,847	h.35	h.58
N. Y. & Honduras Rosario Mining:				
Dec. 31 qr....	228,448	228,560	1.21	1.21
n. Yr., Dec. 31...	757,606	887,004	4.02	4.71
Potrero Sugar Co.:				
Yr. Oct. 31...	*156,036	41,341		.11
Reynolds (R. J.) Tobacco Co.:				
Yr. Dec. 31...	23,734,306	27,602,372	2.37	2.76
Rice-Stix Dry Goods Co.:				
Yr. Nov. 30...	180,807	71,343		
Selbyring Rubber Co.:				
Yr. Oct. 31...	297,494	*10,443		.66

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18

Company.	Net Income 1938.	Com. Share Earnings 1938.	Net Income 1937.	Com. Share Earnings 1938.	Net Income 1937.
Spencer Shoe Corp.:					
Yr., Nov. 26....	*45,628	232,331	...	.87	
Superior Portland Cement:					
n Yr., Dec. 31....	257,661	428,363	b.09	b1.67	
West Virginia Pulp & Paper:					
Yr., Oct. 31....	260,353	2,862,011	p1.67	2.13	
Wilson & Co.:					
Yr., Oct. 29....	19,940	2,507,528	p.06	.28	

## UTILITIES

Continental Gas & Electric Corp.:	12 mo., Nov. 30	3,903,685	4,598,115	12.04	15.28
El Paso Electric Co.:	12 mo., Nov. 30	434,531	393,391	...	...
Engineers Public Service Co.:	11 mo., Nov. 30	3,281,831	3,783,972	.78	.76
Gulf States Utilities Co.:	12 mo., Nov. 30	2,062,789	1,801,623	...	...
Illinois Bell Telephone Co.:	11 mo., Nov. 30	9,849,164	11,914,120	...	...
National City Lines, Inc.:	10 mo., Oct. 31	277,033	...	.76	...
National Cylinder Gas Co.:	10 mo., Oct. 31	378,353	...	.40	...
Northern States Power Co. of Del.:	10 mo., Oct. 31	3,910,945	5,026,311	...	...
12 mo., Oct. 31	5,071,861	6,265,362	...	...	
Northern States Power Co. of Del.:	10 mo., Oct. 31	3,369,806	5,738,843	...	...
12 mo., Oct. 31	5,881,341	6,943,336	...	...	
Oklahoma Gas & Electric Co.:	12 mo., Nov. 30	2,404,094	2,797,601	...	...

Company.	Net Income 1938.	Com. Share Earnings 1938.	Net Income 1937.	Com. Share Earnings 1938.	Net Income 1937.
Puget Sound Power & Light Co.:					
12 mo., Nov. 30	1,499,100	1,870,765	...	...	
San Diego Consol. Gas & Electric:					
12 mo., Nov. 30	1,411,760	1,337,532	...	...	
United Light & Power Co. & Subs.:					
12 mo., Nov. 30	3,948,484	5,013,380	c.10	c.40	
Virginia Electric & Power Co.:					
12 mo., Nov. 30	3,470,643	3,403,087	...	...	
Western Union Telegraph Co.:					
11 mo., Nov. 30	2,024,708	2,915,480	...	2.79	
Wisconsin Public Service Corp.:					
12 mo., Nov. 30	1,349,356	1,436,931	...	...	

## RAILROADS

Detroit & Mackinac Rwy.:					
11 mo., Nov. 30	43,724	8,999	...	...	
New York Central Lines:					
11 mo., Nov. 30	20,413,440	6,905,378	...	1.07	
N. Y., Ontario & Western Rwy.:					
11 mo., Nov. 30	1,897,299	1,431,779	...	...	
Northern Pacific Rwy.:					
11 mo., Nov. 30	7,345,649	*1,966,045	...	...	
Pitts. & Lake Erie R. Co.:					
11 mo., Nov. 30	1,518,651	3,762,842	1.76	4.36	
Rutland R. R.:					
11 mo., Nov. 30	*862,712	*315,441	...	...	
Tennessee Central Rwy.:					
11 mo., Nov. 30	35,042	101,291	...	...	

\*Net loss. \$Not available. bOn class B shares. cOn combined Class A and Class B shares. dDeficit. hOn shares outstanding at close of respective periods. nPreliminary report. pOn preferred stock.

## RAILROAD EARNINGS AND STATEMENTS

## Central of Georgia

November net loss....	\$219,514	\$291,193
11 months' net loss....	2,768,365	2,131,374

## Chicago, Indianapolis &amp; Louisville

November net loss....	158,206	196,923
11 months' net loss....	1,768,834	1,410,568

## Chicago, St. Paul, Minneapolis &amp; Omaha

November net loss....	172,917	134,811
11 months' net loss....	2,507,419	2,450,529

## Delaware, Lackawanna &amp; Western

November net loss....	138,251	315,876
11 months' net loss....	3,777,219	573,372

## Great Northern

Cash, Nov. 30....	20,765,688	26,623,782
Current assets....	37,672,611	40,947,472

## Indiana Harbor Belt (New York Central)

November net income....	117,541	83,313
Eleven mos. net income	690,449	1,215,779

## Lehigh Valley

November net loss....	273,519	313,352
11 months' net loss....	3,587,574	1,222,612

## New York Central

November net income....	104,581	*501,065
Eleven months' net loss....	20,413,440	6,903,378

## Nashville, Chattanooga &amp; St. Louis

Cash....	2,121,213	1,106,889
Current assets....	5,280,230	4,702,833

Current liabilities....	1,369,061	1,375,450
Inv. stocks, bonds, etc. ....	1,727,589	1,697,471

Funded debt due 6 mos. ....	56,000	56,000
Eleven mos. net income....	260,456	*298,413

New York, New Haven & Hartford		
Cash, Nov. 30....	3,151,142	4,139,243

Current assets....	14,847,792	15,463,762
Current liabilities....	7,541,515	6,620,732

Inv. in stocks, bds., etc. ....	26,187,967	26,212,502
Funded debt due within six months....	2,605,000	936,000

New York, Ontario & Western		
November net loss....	213,423	165,980

Eleven months' net loss....	1,897,299	1,431,779
Northern Pacific		

Cash, Nov. 30....	10,399,900	12,368,796
Current assets....	25,175,013	29,466,931

Current liabilities....	9,543,903	9,854,994
Inv. in stocks, bds., etc. ....	4,702,681	4,871,994

Funded debt due within six months....	2,605,000	936,000
Panama Railroad		

Net year to June 30....	1,323,151	1,519,629
Income. Other than those of affiliated companies. *Loss.		

## Dividends Declared

Since Previous Issue of The Annalist

## and Awaiting Payment

## BOND REDEMPTIONS

## BOND CALLS FOR REDEMPTION

Ville D'Anvers 2/4% bds. 1887.	V.B.	N.S.	July 1



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THE ANNALIST uses for these pages the following standing footnote: "Subject to revision. Revised. All other footnotes appear immediately below each table."

## 1 TRANSPORTATION (27)

	P. C.	Depar-
	5-Year	ture
Week ended	Average From	
Jan. 7	1939.	(1934-35)-Ave.
Tot. loadings.	530,549	573,060 - 7.4
Grain & pr.	26,324	29,330 - 0.02
Coal & coke.	126,917	147,016 - 13.7
Forest prod.	21,733	22,296 - 2.5
Manuf. prod.	331,074	353,937 - 5.5
Frt. car sur.	190,089	295,973 - 35.8
P. C. freight car serv.	1-14.	86.1 - 86.1
Dec. 1	86.1	86.1
P. C. locom. serv. Dec. 1	80.9	80.1 + 1.0
Gross rev. yr. to Nov. 30	3,247,154	3,629,312,660,419 - 2.0
Exp. yr. to Nov. 30	2,609,517,751	2,562,163,686 + 1.8
Taxes, yr. to Nov. 30	314,284,740	255,754,996 + 22.9
Rate of return on invest. Yr. to Nov. 30:	"Fair" Return"	
East. Dist.	1.49	5.75 - 74.1
South. Dist.	1.83	5.75 - 68.2
West. Dist.	1.02	5.75 - 52.3
U. S.	1.34	5.75 - 76.7
Revenues and expenses in thousands of dollars.		

## 2 AVERAGE DAILY CRUDE OIL PRODUCTION (18) (Barrels)

	1938	Jan. 7, 1938.
Mines	69,951	61,500
Texas— Calculations.	79,850	73,600
North.	29,950	32,700
West.	203,800	197,700
E. Cent.	95,150	85,960
East.	371,950	492,150
S. W.	230,750	238,250
Coastal...	211,500	193,450
Total	1,332,900	1,292,900 1,375,300
Oklahoma.	499,700	402,700 538,850
Kansas	153,900	137,150 162,650
North La.	71,750	78,400
Coastal La.	124,900	180,200 186,850
Arkansas.	49,000	50,550 42,550
Illinois	86,100	137,000
East's (not incl. Ill.)	92,900	97,150
Michigan.	47,400	45,900 51,400
Wyoming.	56,900	48,700 45,450
Montana.	11,900	13,750 14,200
Colorado...	3,900	4,050 4,450
New Mex.	95,200	98,400 107,100
California.	588,400	624,700 709,500
Total U. S. S.270,600	3,214,900	3,437,100
Effective January.		

## 3 OIL SUPPLY AND DEMAND (5) (Thousands of barrels of 42 United States gallons)

	Nov.	Oct.	Nov.
Supply:	1938.	1938.	1937.
Dom. prod'n:	98,567	101,830	104,302
Crude oil.	4,244	3,375	4,269
Ref. products.	181	169	178
Total prod...	102,992	106,374	108,749
Imports:	2,359	2,883	2,425
Crude pet...	2,264	2,148	1,724
Total imp...	4,623	4,841	4,149
Total supply all oils....	107,615	111,215	112,898
Demand:			
Dom.—total	100,546	100,973	97,924
Exports:			
Crude pet....	5,602	6,780	6,645
Ref. products.	8,461	9,388	9,514
Total exp...	14,063	16,168	16,459
Total dem...	114,609	117,141	114,383
From coal division.			

## 4 HOUSEHOLD ELECTRIC REFRIGERATOR SALES (7) (Number of units)

	1938.	1937.	1936.
Jan.	104,984	171,405	119,764
Feb.	145,094	245,718	179,056
March	174,332	352,582	272,139
April	212,584	345,214	304,089
May	179,189	333,061	329,140
June	104,704	267,770	237,371
July	85,772	192,906	205,086
Aug.	92,966	120,543	106,775
Sept.	62,148	82,688	80,030
Oct.	34,345	67,857	44,380
Nov.	32,103	89,739	75,265
Dec.	108,164	212,584	123,208
Total ....	2,369,025	2,079,535	

## 5 DOMESTIC RAILROAD EQUIPMENT ORDERS (1)

	Reported in Railway Age of:	Jan. 14, Jan. 7, Jan. 15, 1939.	1939.
Locomotives ..	2	3	3
Passenger cars	27		
Struc. st. (tons)	30,000		3,550
Rails (tons)...			

## 6 STEEL SCRAP PRICES (23) (Per ton at Pittsburgh)

	Week Ended	Jan. 14, Jan. 7, Jan. 15, 1939.	1939.
Heavy melting, aver. of daily quotations	\$15.75	\$15.75	\$14.25

# Business Statistics

## 7 COMMERCIAL STEEL CASTINGS

	NEW ORDERS (BOOKINGS)						PRODUCTION					
	Railway		Miscel.		Total		Railway		Miscel.		Total	
	Total	P. C. of	Net	P. C. of	Total	Tons.	P. C. of	Net	P. C. of	Tons.	P. C. of	
1937.	36,837	30.9	8,259	17.3	28,578	40.0	65,957	55.3	21,309	44.6	29,477	55.2
Nov.	31,442	26.4	8,125	17.0	23,317	32.6	51,294	43.0	20,985	41.9		
1938.	30,863	27.6	11,107	24.8	19,756	29.4	27,436	24.5	7,498	16.7	19,938	29.7
Feb.	28,096	25.1	6,588	15.4	21,208	31.6	30,739	27.5	7,312	16.3	23,481	34.9
Mar.	21,869	19.5	2,498	5.6	19,371	28.8	25,150	22.5	4,290	9.6	20,860	31.0
Apr.	20,636	18.4	2,697	6.0	17,939	26.7	22,127	19.8	3,892	8.7	18,233	27.1
June	21,074	18.8	4,942	11.0	16,132	24.0	23,810	21.3	4,525	10.1	18,285	28.7
July	36,641	32.7	16,589	37.0	20,062	29.8	22,988	20.5	6,111	13.6	16,577	25.1
Aug.	24,814	22.2	4,411	9.8	20,403	30.4	36,454	32.5	12,983	29.0	23,471	34.3
Sept.	25,565	22.8	5,462	12.2	20,103	29.9	28,478	25.4	8,553	18.6	20,125	29.9
Oct.	25,418	22.7	4,127	9.2	21,291	31.7	28,109	25.1	5,896	13.4	22,123	32.9
Nov.	30,428	27.2	7,128	15.9	23,300	34.7	29,994	26.8	7,207	16.1	22,787	33.9

Based on reports submitted by 180 manufacturers having a monthly capacity of 119,257 tons, representing approximately 95 per cent of the industry in the United States.

## 8 THE ANNALIST INDEX OF BUSINESS ACTIVITY

	1938	1937
Dec.	100	100
Oct.	102.6	100.4
Sept.	101.9	100.0
Aug.	101.3	100.0
July	101.6	102.6
June	101.5	105.5
May	101.4	102.6
April	101.3	102.6
March	101.2	109.9
Feb.	101.1	112.2
Jan.	101.0	116.2
Dec.	100.9	107.5
Oct.	100.8	102.5
Sept.	100.7	102.5
Aug.	100.6	102.5
July	100.5	102.5
June	100.4	102.5
May	100.3	102.5
April	100.2	102.5
March	100.1	102.5
Feb.	100.0	102.5
Jan.	99.9	102.5
Dec.	99.8	102.5
Oct.	99.7	102.5
Sept.	99.6	102.5
Aug.	99.5	102.5
July	99.4	102.5
June	99.3	102.5
May	99.2	102.5
April	99.1	102.5
March	99.0	102.5
Feb.	98.9	102.5
Jan.	98.8	102.5
Dec.	98.7	102.5
Oct.	98.6	102.5
Sept.	98.5	102.5
Aug.	98.4	102.5
July	98.3	102.5
June	98.2	102.5
May	98.1	102.5
April	98.0	102.5
March	97.9	102.5
Feb.	97.8	102.5
Jan.	97.7	102.5
Dec.	97.6	102.5
Oct.	97.5	102.5
Sept.	97.4	102.5
Aug.	97.3	102.5
July	97.2	102.5
June	97.1	102.5
May	97.0	102.5

20  
NEW YORK TIMES WEEKLY BUSINESS INDEX

	Freight Car Loadings	Steel Mill Misc. Other.	Electric Power Prod.	Auto Prod.	Lumber Prod.	Cotton Activity	Mill Index	Combined Index
Effective weights.	18	7	25	20	10	10	10	100
Adjusted weights.	19	.08	.10	.49	.03	.06	.05	1.00
1938.								
Jan. 8	72.6	85.7	45.2	95.7	56.6	48.9	90.6	81.2
Jan. 15	72.8	91.5	46.7	94.8	68.3	53.1	88.2	81.9
Jan. 22	75.1	89.9	45.9	95.0	70.0	55.2	85.2	82.2
Nov. 19	82.0	84.9	94.8	98.0	95.6	70.4	122.2	93.1
Nov. 26	76.6	89.7	99.6	98.1	96.7	64.7	126.6	92.9
Dec. 3	79.0	95.0	96.5	96.8	92.1	69.4	130.5	93.1
Dec. 10	78.6	93.5	100.4	98.9	94.1	72.7	125.6	94.4
Dec. 17	77.2	92.4	98.4	97.9	96.1	75.9	126.6	93.7
Dec. 24	72.7	95.7	88.0	98.9	90.3	75.1	116.3	91.8
Dec. 31	80.3	101.1	80.1	97.4	93.1	86.0	107.4	92.4
1939.								
Jan. 7	81.9	91.4	80.6	97.7	98.8	88.7	128.5	93.5
Jan. 14		179.6	95.8	91.7				
Jan. 21		76.7						

21  
RATE OF OPERATIONS IN THE STEEL INDUSTRY

Week	U. S. Week Ended	Amer- ican Steel Indep. Total	Begin- ning: St. Inst.	Week N. Y. Ended: Steel Met.	Iron Met. As of: Age Mkt.	Am. Iron Mkt.	
						20	20
Jan. 3	20%	20	20	Dec. 27	19.2	Jan. 1	21
Jan. 10	31%	27	28%	Jan. 3	25.6	Jan. 8	26
Jan. 17	31%	29%	31	Jan. 10	27.8	Jan. 15	29
Dec. 5	56%	64	61	Nov. 28	60.7	Dec. 3	61
Dec. 12	55%	63%	60	Dec. 5	59.9	Dec. 10	61
Dec. 19	57%	59%	58	Dec. 12	57.6	Dec. 17	58
Dec. 26	44%	45	45	Dec. 19	51.7	Dec. 24	52
Jan. 2	35	42	39	Dec. 26	38.8	Dec. 31	40
1939.				Dec. 27	40	Dec. 27	40
Jan. 9	48%	52%	51	Jan. 2	50.7	Jan. 7	51%
Jan. 16				Jan. 9	51.7	Jan. 14	52
Jan. 23				Jan. 16	52.7	Jan. 21	53

22  
PERCENTAGE CHANGES IN CAR LOADINGS FROM CORRESPONDING WEEK LAST YEAR

Week Ended.	N. Y. C. Penn.	N. H. N. & W.	B. & O.	C. & O.	Atch.	Pac.	So. Ry.	Un. Pac.
1938.	5.10	10.4	7.0	+ 2.1	+ 0.7	9.0	- 2.7	- 14.3
Nov. 5	- 14.9	- 10.3	4.0	+ 1.8	- 9.4	- 6.8	- 12.2	- 0.9
Nov. 12	- 4.0	+ 1.4	2.1	+ 21.7	+ 0.5	+ 17.5	- 10.7	+ 4.1
Nov. 19	- 1.5	- 0.1	1.0	+ 15.5	1.8	- 6.6	- 9.7	+ 4.2
Nov. 26	+ 2.5	+ 5.9	6.9	+ 23.5	+ 9.5	- 8.7	- 8.8	+ 7.5
Dec. 3	- 0.5	+ 5.5	+ 5.9	+ 1.6	- 1.2	- 7.6	- 7.0	+ 0.8
Dec. 10	+ 1.0	- 2.9	7.8	- 3.3	+ 4.6	- 6.7	- 5.4	+ 0.7
Dec. 17	+ 2.7	- 25.7	- 21.4	+ 48.0	- 36.5	+ 28.2	- 4.8	+ 15.7
Dec. 24	+ 16.9	- 10.2	7.6	- 37.6	+ 18.3	+ 20.0	- 2.1	+ 11.8
Jan. 1								
1939.								
Jan. 7	+ 2.2	+ 2.3	- 2.9	+ 15.6	- 1.7	+ 4.6	+ 0.6	- 11.6
Jan. 14								- 1.7
Jan. 21								- 7.9

\*No change.

23  
PETROLEUM STOCKS AND REFINERY ACTIVITY (18)

Estimated for Entire Industry (Thousands of barrels of 42 gallons)								
Crude Runs to Still								
Average	1P.C. of	†Total Daily Runs Operated.	Gasoline Production.	Crude Petroleum.	Stocks	Gasoline	Gas and Fuel Oil.	Gasoline
1938.								
Jan. 7	3,170	78.2	9,349	271,065	69,155	151,617	6,126	6,126
Dec. 3	3,175	78.9	9,658	271,065	69,155	151,617	6,126	6,126
Dec. 10	3,150	77.9	9,462	269,509	68,587	150,779	6,126	6,126
Dec. 17	3,245	80.4	9,816	269,931	69,636	148,573	6,126	6,126
Dec. 24	3,105	76.4	9,330	271,718	69,959	146,755	6,126	6,126
Dec. 31	3,115	76.8	9,274	273,024	71,695	144,823	6,126	6,126
Jan. 7	3,170	78.2	9,349	272,818	72,818	143,333	6,126	6,126

AVERAGE DAILY SEASONALLY ADJUSTED PIG IRON PRODUCTION BY FEDERAL RESERVE DISTRICTS								
(Thousands of gross tons)								
1937.	Cleve- land	Chi- cago	New Orl.	Phi- ladel.	Rich- mond	Min- neapolis	Kan- sas City	San Francisco
Jan.	55.61	21.75	6.79	7.82	4.55	4.90	107.99	107.99
February	56.61	20.23	6.55	7.81	4.47	4.59	103.79	103.79
March	57.68	19.98	6.60	8.18	4.55	4.77	105.18	105.18
April	56.02	20.27	6.08	7.52	5.32	5.00	104.39	104.39
May	55.10	20.20	5.90	7.65	5.08	5.00	105.46	105.46
June	48.79	18.65	6.42	8.94	4.99	5.39	99.12	99.12
July	58.26	22.00	8.07	9.11	5.41	5.95	114.47	114.47
August	60.16	24.23	8.51	9.26	5.75	5.76	119.42	119.42
September	61.60	25.56	8.79	9.50	5.81	5.33	121.97	121.97
October	47.84	19.14	8.46	8.40	4.63	5.06	98.22	98.22
November	32.78	13.23	6.41	5.78	3.52	3.93	69.97	69.97
December	22.81	10.29	4.91	4.22	2.96	3.33	50.86	50.86

\*Includes some districts not shown.

25  
DEPARTMENT STORE SALES BY FEDERAL RESERVE DISTRICTS (Adjusted for Seasonal Variation)

	Phi- lia- ton	New York	del- Cleve- land	Chi- cago	St. Louis	Min- neapolis	Kan- sas City	San Francisco
1937.	80	97	89	108	114	98	80	83
Jan.	80	97	73	101	111	97	89	101
Feb.	80	95	75	100	111	97	88	103
Mar.	76	92	78	107	114	102	89	92
Apr.	75	92	90	99	103	93	81	90
May	77	95	78	107	112	97	83	95
June	90	98	77	110	112	98	88	96
July	75	93	71	112	113	98	86	95
Aug.	74	93	72	110	112	98	85	94
Sept.	81	97	78	104	125	116	95	97
Oct.	76	95	73	100	112	113	99	92
Nov.	75	94	76	93	111	99	93	87
Dec.	77	96	74	112	119	96	84	88
1938.	76	94	70	109	113	90	89	84
Jan.	76	91	72	85	108	83	82	105
Feb.	74	91	64	86	107	111	93	85
Mar.	76	91	63	82	108	82	85	92
Apr.	76	91	65	83	101	90	83	95
May	76	92	68	76	98	78	83	92
June</								

44  
SHORT INTEREST—NEW YORK STOCK EXCHANGE

(Number of shares end of month)			
1938.	1937.	1936.	
Jan. . . . .	1,228,005	1,314,840	1,103,394
Feb. . . . .	1,142,422	1,426,522	1,246,715
Mar. . . . .	1,097,858	1,199,064	1,175,351
Apr. . . . .	1,384,113	1,012,186	1,132,817
May. . . . .	1,343,573	1,049,965	1,117,058
June. . . . .	1,050,164	944,957	1,138,358
July. . . . .	833,663	1,007,736	996,398
Aug. . . . .	729,480	966,938	974,338
Sept. . . . .	588,345	967,583	1,011,670
Oct. . . . .	669,530	1,214,062	1,066,184
Nov. . . . .	587,314	1,184,215	1,230,570
Dec. . . . .	500,961	1,051,870	1,136,814

45  
BRITISH EXCHANGE RATES ON PARIS

(In francs—average price per day)			
1938.	1938.	1938.	
Jan. . . . .	177.26	177.54	178.82
Feb. . . . .	177.36	177.42	178.85
Mar. . . . .	177.33	178.44	178.93
Apr. . . . .	177.11	178.88	178.93
May. . . . .	177.56	178.88	178.87
June. . . . .	177.32	177.75	178.80
July. . . . .	177.34	177.70	178.88
Aug. . . . .	1939.	1939.	
Sept. . . . .	177.26	176.60	147.40
Oct. . . . .	144.76	177.39	177.03
Nov. . . . .	144.77	177.39	177.03
Dec. . . . .	144.78	177.39	177.03

46  
GOLD AND SILVER PRICES

Gold and Silver Prices			
Gold	—	Silver	—
Week Ended	Dollar	Equivalent	
1938.	London.	London.	N. Y.
Jan. 7:	150s 5d	34.82	21 1/4d 42 1/2c
Low	148s 9 1/2d	34.81	20 1/4d 42 1/2c
Jan. 14:	149s	34.85	20 1/4d 42 1/2c
Low	148s 7 1/2d	34.71	20 1/4d 42 1/2c

47  
FOREIGN EXCHANGE RATES WEEKLY (All quotations cable rates unless otherwise noted)

	Week Ended			
Par. Country and Unit.	Jan. 14, 1939.	Jan. 1, 1939.	Jan. 15, 1938.	
England (sovereign)	\$4.67	\$4.66	\$4.62	
Australia (sovereign)	3.74	3.73	3.74	
So. Africa (sovereign)	4.67	4.66	4.62	
France (franc)	0.0264	0.0264	0.0264	
Italy (lira)	0.0526	0.0526	0.0526	
Germany (reichsmark)	4015	4008	4013	
Holland (florin)	5442	5430	5422	
Canada (dollar)	9915	9909	10,000	9996
Belgium (belga)	1681	1688	1684	1690
Switzerland (franc)	2261	2259	2257	2307
Greece (drachma)	0.0858	0.0858	0.0851	0.0811
Sweden (krona)	2408	2401	2411	2381
Denmark (krona)	2088	2082	2091	2064
Norway (krona)	2350	2343	2353	2314
Poland (zloty)	1895	1895	1895	1902
Czechoslovakia (cro'n)	0.0343	0.0343	0.0351	0.0351
Yugoslavia (dinar)	0.0233	0.0233	0.0236	0.0235
Portugal (escudo)	0.0427	0.0426	0.0423	0.0457
Romania (leu)	0.0775	0.0775	0.0775	0.0775
Hungary (pengo)	1980	1980	1980	1986
Finland (markka)	0.0207	0.0207	0.0204	0.0221
India (rupee)	3495	3498	3456	3779
Hong Kong (silver dol.)	2928	2915	2928	3135
Shanghai (silver dol.)	1660	1662	1645	2960
Manila (silver peso)	4980	4980	4980	5020
Straits Settlements (dollar)	5445	5435	5455	5395
Singapore (dollar)	5800	5800	5800	5600
Argentina (paper peso)	2310	2295	2310	2275
Free inland	0.0655	0.0656	0.0656	0.0650
Free inland	0.0656	0.0656	0.0656	0.0650
Chile (gold peso)	0.0519	0.0519	0.0519	0.0519
Peru (sol.)	2050	2037	2050	2050
Uruguay (gold peso)	3850	3850	3750	5600
Mexico (silver peso)	2035	2035	2035	2780

†Demand rate.

48  
FOREIGN EXCHANGE RATES DAILY

	Cable Transfer Rates			
England: High	\$4.67	\$4.67	\$4.67	\$4.67
Low	4.67	4.66	4.66	4.66
Last	4.67	4.67	4.67	4.67
France: High	0.0264	0.0263	0.0263	0.0263
Low	0.0263	0.0263	0.0263	0.0263
Italy: High	0.0526	0.0526	0.0526	0.0526
Low	0.0526	0.0526	0.0526	0.0526
Germany: High	4015	4013	4012	4010
Low	4013	4009	4009	4008
Holland: High	5436	5436	5439	5442
Low	5436	5436	5439	5442
Belgium: High	1691	1689	1689	1690
Low	1691	1689	1689	1690
Switzerland: High	2260	2260	2260	2259
Low	2260	2260	2260	2259
Canada: High	9915	9914	9912	9912
Low	9914	9914	9912	9909
Japan	2729	2725	2726	2726
Argentina (free inland)	2295	2295	2295	2310

†Closing rate. †Demand rate.

## SOURCES OF DATA

(1) Railway Age. (2) Commercial and Financial Chronicle. (3) The F. W. Dodge Corporation. (4) Federal Reserve Board. (5) United States Department of Commerce. (6) United States Department of Labor. (7) Edison Electric Institute. (8) The Iron Age. (9) American Institute of Steel Construction. (10) Ward's Automotive Reports. (11) Dun & Bradstreet's. (12) Federal Power Commission. (13) The Wall Street Journal. (14) Engineering News-Record. (15) American Bureau of Metal Statistics. (16) American Iron and Steel Institute. (17) Abertash Company. (18) American Petroleum Institute. (19) American Railway Association. (20) United States Department of Interior. (21) Silk Association of America. (22) National Industrial Conference Board. (23) American Metal Market. (24) Federal Reserve Bank of New York. (25) American Zinc Institute. (26) Association of Life Insurance Presidents. (27) Bureau of Railway Economics. (28) Interstate Commerce Commission. (29) Rubber Manufacturers Association. (30) Bureau of Agricultural Economics. (31) American Appraisal Company. (32) Copper Institute. (33) New England Council. \*Subject to revision. †Revised.

## Stock and Bond Market Averages and Volume of Trading

## The Annalist Weighted Averages of Group Leaders

Jan. 11	Jan. 12	Jan. 13	Jan. 14	Jan. 15	Jan. 16	Jan. 17
High. Low. Last.	High. Low. Last.	High. Low. Last.	High. Low. Last.	High. Low. Last.	High. Low. Last.	High. Low. Last.
90 Stocks	51.5 50.6 50.8	51.4 49.6 50.2	50.6 49.6 49.9	51.0 50.3 50.0	52.2 49.6 51.3	51.4 50.4 51.2
72 Industrials	171.8 168.8 169.3	171.2 165.8 167.6	168.5 165.4 165.5	170.0 167.6 169.5	174.2 165.4 169.7	171.4 168.3 169.7
4 Steels	37.6 37.0 37.1	37.4 35.4 37.0	36.5 35.3 36.3	35.8 34.8 36.8	36.7 35.8 36.8	36.7 35.8 36.7
4 Motors	74.4 72.7 72.8	73.0 70.7 71.4	71.9 70.4 70.7	73.3 71.3 72.8	76.0 70.4 73.3	73.3 71.9 73.0
5 Motor accessories	38.2 38.2 38.3	38.1 37.4 37.6	38.3 37.3 37.8	38.2 37.8 38.8	39.0 38.4 38.5	39.0 38.9 38.9
3 Aviations	37.4 36.0 36.7	37.5 35.3 36.3	36.9 35.8 36.3	37.4 36.7 37.2	37.8 36.7 37.4	37.8 36.9 37.4
3 Buildings	55.8 54.8 54.8	55.0 53.4 53.8	55.0 53.6 54.6	55.6 54.6 55.6	56.6 54.8 55.8	56.2 55.0 55.8
4 Chemicals	140.3 139.4 140.0	140.3 138.5 139.1	139.1 137.8 138.2	138.8 137.8 138.5	142.1 137.8 139.1	140.0 135.5 139.4
4 Nonferrous metals	57.7 56.8 56.8	57.7 55.3 56.8	56.8 55.1 54.8	56.8 55.7 55.6	57.7 56.1 56.6	56.9 55.7 56.6
4 Foods	34.5 34.2 34.3	34.5 34.1 34.1	34.1 33.7 33.9	34.1 34.0 34.1	34.8 33.7 34.6	34.6 33.4 34.6
3 Tobacco	75.9 75.4 75.4	75.2 74.7 74.7	74.7 73.9 74.7	74.7 74.7 74.7	76.2 73.9 75.4	75.4 73.2 75.7
3 Sugars	21.5 21.3 21.3	21.5 21.1 21.1	21.1 21.1 21.1	21.1 20.9 21.1	20.9 20.9 20.9	21.5 21.3 21.5
2 Electrical equipments	61.9 60.9 61.9	61.9 59.7 60.3	60.6 59.7 60.6	60.2 60.6 60.6	61.9 60.6 61.9	61.9 60.6 61.9
3 Farm equipments	51.7 50.7 51.0	51.4 50.0 50.7	50.7 49.6 50.7	50.4 50.0 50.7	52.4 50.0 50.7	51.7 50.3 51.7
4 Office equipments	29.5 29.4 29.5	29.8 28.6 28.6	28.7 28.4 28.6	28.8 28.7 28.7	29.2 29.0 29.2	29.2 28.9 29.0
4 Railroad equipments	30.4 29.4 29.6	30.4 29.1 29.3	29.3 28.0 29.3	30.4 30.1 30.4	31.5 29.1 30.2	30.2 29.9 30.2
4 Amusement	23.3 22.6 22.7	22.9 21.7 22.3	22.5 21.8 22.8	22.8 21.7 22.8	23.6 22.5 22.6	22.8 22.2 22.6
5 Merchandise	46.2 45.3 45.6	45.9 44.4 44.7	44.7 44.5 45.0	45.0 44.6 45.2	46.6 44.4 46.4	46.6 44.3 46.3
3 Rubber and tires	52.8 51.0 51.0	51.0 49.0 50.2	50.2 49.6 51.3	50.2 51.0 51.6	54.3 49.0 51.3	53.7 50.7 53.4
2 Liquor	25.9 25.7 25.9	25.9 25.2 25.4	25.4 24.6 24.9	25.4 25.2 25.4	25.4 24.6 25.4	25.7 25.4 25.7
4 Standard oils	26.5 26.1 26.2	26.2 26.1 26.2	26.1 26.2 26.4	26.1 26.2 26.4	26.4 26.1 26.3	26.5 26.1 2

# Banking Statistics—Brokers' Loans—Gold Reserves

## Statement of the Federal Reserve Banks

(Thousands)

ASSETS.	Combined Fed. Res. Banks			N. Y. Federal Res. Bank		
	Jan. 11, 1939.	Jan. 4, 1939.	Jan. 12, 1938.	Jan. 11, 1939.	Jan. 4, 1939.	Jan. 12, 1938.
Gold certificates on hand and due from U. S.						
Treasury	\$11,867,720	\$11,837,719	\$9,119,891	\$5,348,630	\$5,324,139	\$3,620,195
Redemption fund—Federal Reserve notes	8,433	9,574	8,324	927	1,226	975
Other cash	418,025	364,763	403,894	122,135	104,890	93,891
<b>Total reserves</b>	<b>\$12,294,178</b>	<b>\$12,212,356</b>	<b>\$9,532,109</b>	<b>\$5,471,692</b>	<b>\$5,430,255</b>	<b>\$3,714,961</b>
Bills discounted:						
Secured by U. S. Govt. obligations, direct or fully guaranteed	2,635	2,334	7,420	856	799	3,338
Other bills discounted	2,119	1,973	3,695	360	319	374
Total bills discounted	\$4,754	\$4,307	\$11,115	\$1,216	\$1,118	\$3,712
Bills bought in open market	549	549	540	213	215	212
Industrial advances	15,550	15,506	17,883	3,577	3,576	4,394
U. S. Government securities:						
Bonds	840,893	840,893	747,039	237,660	237,660	215,473
Treasury notes	1,179,577	1,156,947	1,159,497	333,382	326,966	334,440
Treasury bills	543,545	566,175	657,479	153,621	160,017	189,641
<b>Total U. S. Government securities</b>	<b>\$2,564,015</b>	<b>\$2,564,015</b>	<b>\$2,564,015</b>	<b>\$724,663</b>	<b>\$724,663</b>	<b>\$739,554</b>
Total bills and securities	2,584,868	2,584,376	2,593,553	729,969	729,872	747,872
Due from foreign banks	172	172	179	65	65	68
Federal Reserve notes of other banks	35,537	29,426	30,477	9,493	5,753	6,988
Uncollected items	597,740	739,742	574,127	151,742	174,865	138,409
Bank premises	42,928	42,928	45,034	9,038	9,038	9,973
Other assets	45,973	44,641	38,480	12,820	12,285	11,380
<b>Total assets</b>	<b>\$15,601,396</b>	<b>\$15,653,641</b>	<b>\$12,813,950</b>	<b>\$6,384,819</b>	<b>\$6,362,133</b>	<b>\$4,629,651</b>

## LIABILITIES.

Federal Reserve notes in actual circulation	\$4,374,962	\$4,441,050	\$4,190,134	\$906,446	\$1,022,531	\$925,905
<b>Deposits:</b>						
Member bank—reserve account	8,956,139	8,819,243	7,193,380	4,670,895	4,599,303	3,181,445
U. S. Treasurer—general account	872,943	891,119	115,321	164,751	194,997	24,831
Foreign bank	176,767	189,916	174,704	62,455	68,339	63,845
Other deposits	282,712	245,684	226,333	227,650	188,886	182,147
Total deposits	\$10,288,561	\$10,145,962	\$7,109,738	\$5,125,751	\$5,051,615	\$3,452,268
Deferred availability items	591,268	720,789	568,580	142,705	168,300	131,696
Other liabilities including accrued dividends	2,298	1,981	3,388	728	520	738
<b>Total liabilities</b>	<b>\$15,257,089</b>	<b>\$15,309,782</b>	<b>\$12,471,840</b>	<b>\$6,265,630</b>	<b>\$6,242,966</b>	<b>\$4,510,607</b>

## CAPITAL ACCOUNTS.

Capital paid in	134,911	134,723	133,071	51,074	51,068	51,102
Surplus (Section 7)	149,152	149,152	147,739	52,463	52,463	51,943
Surplus (Section 13b)	27,264	27,264	27,683	7,457	7,457	7,744
Other capital accounts	32,980	32,720	33,626	8,195	8,189	8,255

Total liabilities and capital accounts

Ratio of total reserves to deposit and Federal Reserve note liabilities combined

Contingent liability on bills purchased for foreign correspondents

Commitments to make industrial advances

83.8% 83.7% 80.1% 89.4% 89.4% 84.9%

29 1,836 11 995 13,558 2,614 2,669 4,655

13,339 13,558

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Ratio of total reserves to deposit and Federal Reserve note liabilities combined

Cont







## Stock Transactions—New York Stock Exchange—Continued

Year Calendar Week Ended—







**Bond Transactions—New York Stock Exchange—Continued**

Range 1938-39		Sales in 1000s.		High.		Low.		Net		Sales in 1000s.		High.		Low.		Net		Sales in 1000s.		High.		Low.		Net								
High.		Low.		Last.		Chge.																										
254	141	Mo Pac	5s 31	1.	*1261	21	18%	20	-	4%	534	40	Pitt & W	Va 41s	58	A	6	49%	49	49	+ 4	102	96	Wilson & Co	4s 55.	36	102%	101%	102	- 1%		
254	172	Mo Pac	5s 31	1 ct.	*17	20	20	20	-	4%	552	38	Pitt & W	Va 41s	59	B	4	49	49	49	-	95%	71	Wilson & Co	cv 31s 47.	14	95%	95%	95	+ 5%		
8	4	Mo Pac	gen	4s 75.	*17	93	5%	54	5%	-	552	38	Pitt & W	Va 41s	60	C	2	49%	49	49	+ 5	15%	152	8	Wis Cen	4s 49.	*19	49%	10%	10%	-	
254	13%	MoB	& O Mont	5s 47.	*7	7	21	20	21	-	644	43	Porti Gen	Ec 41s	60.		54	61%	59	60	- 1%	105%	103%	Post Tel & C	Ec 53.	10	108%	108%	108%	-		
37	9	MoB	& Oh	5s 38.	*17	50	32%	29	29	-	45	39%	Porti Gen	Ec 41s	62	st.	12	41	40	40	-	105%	103%	Post Tel & C	Ec 53.	14	14%	14%	14%	-		
324	51	MoB	& O 41s	77.	*79	78	28%	26%	-	18%	154	94	Post Tel & C	Ec 53.	74		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
674	45	Mohawk	& Mal	4s 91.	1	53	53	53	-	18%	154	94	Post Tel & C	Ec 53.	75		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1074	98%	Mossmore	Hy 4s	50.	*30	1081	108	1081	-	1%	105%	103%	Post Tel & C	Ec 53.	76		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1054	100%	Mon	W Pa	5s 66.	36	1045	103	103	-	1%	105%	103%	Post Tel & C	Ec 53.	77		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
96	84	Mont	Post	3s 66.	97	97%	94%	97%	-	1%	105%	103%	Post Tel & C	Ec 53.	78		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
101	96	Montreal	Tr	5s 41.	7	97	97	98	-	1%	105%	103%	Post Tel & C	Ec 53.	79		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
62	34%	Mor	& Essex	4s 55.	36	534	504	504	-	1%	105%	103%	Post Tel & C	Ec 53.	80		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
714	47	Mor	& Essex	3s 2000.	43	561	55	55	-	1%	105%	103%	Post Tel & C	Ec 53.	81		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1064	101	Mos	Ste	S & T 34s 68.	26	1064	101	106	-	1%	105%	103%	Post Tel & C	Ec 53.	82		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
72	50	NASH	C & ST	L 4s 78.	11	70%	70%	70%	-	1%	105%	103%	Post Tel & C	Ec 53.	83		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
31	15	Nash	El	4s 51.	1	32%	31%	32%	-	1%	105%	103%	Post Tel & C	Ec 53.	84		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
104%	12%	Nat	Dair	5s 51.	1	105%	104%	104%	-	1%	105%	103%	Post Tel & C	Ec 53.	85		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
107%	10%	Nat	Tr	4s 45.	1	104%	104%	104%	-	1%	105%	103%	Post Tel & C	Ec 53.	86		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1054	100%	Nat	Gypsum	4s 50.	27	105%	104%	104%	-	1%	105%	103%	Post Tel & C	Ec 53.	87		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
101	96	Nat	Mo	4s 50.	57	July	1	104%	104%	104%	-	1%	105%	103%	Post Tel & C	Ec 53.	88		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-
1054	103	Nat	Steel	4s 65.	124	109%	107%	107%	-	1%	105%	103%	Post Tel & C	Ec 53.	89		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
124	118	Newark	Gas	5s 45.	3	124	124	124	-	1%	105%	103%	Post Tel & C	Ec 53.	90		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
324	18	N Eng	5s 45.	*18	27%	26%	26%	-	1%	105%	103%	Post Tel & C	Ec 53.	91		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-			
31	17%	N Eng	R R	4s 45.	*17	27%	25%	25%	-	1%	105%	103%	Post Tel & C	Ec 53.	92		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1054	100%	Nat	Mo	4s 45.	57	July	1	104%	104%	104%	-	1%	105%	103%	Post Tel & C	Ec 53.	93		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-
124	120%	Nat	Eng	T 4s 61.	5	125%	124	123	-	1%	105%	103%	Post Tel & C	Ec 53.	94		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
75	33	N Gt	Nor	5s 52.	6	68	65	65	-	1%	105%	103%	Post Tel & C	Ec 53.	95		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
103%	86%	N Pub	Serv	5s 52.	114	103%	103	103	-	1%	105%	103%	Post Tel & C	Ec 53.	96		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
55%	34	NT	Orl	E 4s 52.	52	63	53	53	-	1%	105%	103%	Post Tel & C	Ec 53.	97		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
76	47	NT	Orl	Term	4s 53.	6	72%	68	68	-	1%	105%	103%	Post Tel & C	Ec 53.	98		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
46	22	NT	Orl	Tex	M 4s 54.	3	33%	35	35	-	1%	105%	103%	Post Tel & C	Ec 53.	99		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
35	23	NT	Orl	Tex	M 4s 54.	24	35%	34	34	-	1%	105%	103%	Post Tel & C	Ec 53.	100		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
35	24	NT	Orl	Tex	M 5s 54.	2	35	33	33	-	1%	105%	103%	Post Tel & C	Ec 53.	101		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
37	22	NT	Orl	Tex	M 5s 54.	1	35	34	34	-	1%	105%	103%	Post Tel & C	Ec 53.	102		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
384	23	NT	Orl	Tex	M 4s 56.	18	34%	33	34	-	1%	105%	103%	Post Tel & C	Ec 53.	103		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
103	95	NY	Y	Hari	81s 2000.	18	81	80	80	-	1%	105%	103%	Post Tel & C	Ec 53.	104		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-	
84	67	NY	C	H 4s 97.	24	82	81	81	-	1%	105%	103%	Post Tel & C	Ec 53.	105		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
82	67	NY	Deck	Co 4s 51.	14	51%	50	51	-	1%	105%	103%	Post Tel & C	Ec 53.	106		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1081	104%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	107		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
1071	103%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	108		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	109		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	110		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	111		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	112		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel & C	Ec 53.	113		14	14%	14	14%	-	105%	103%	Post Tel & C	Ec 53.	10	14%	14%	14%	-		
111	11%	NY	Deck	Co 4s 65.	14	24%	24	24	-	1%	105%	103%	Post Tel &amp																			

## Bond Transactions—New York Stock Exchange—Continued

Range 1938-39		Sales in 1000s. High. Low. Last. Chge.						Range 1938-39		Sales in 1000s. High. Low. Last. Chge.						Range 1938-39		Sales in 1000s. High. Low. Last. Chge.					
High.	Low.	14	51 1/2	50	50	— 1 1/2	14	27	Rhine Westph 7a 50	1	27 1/2	27 1/2	27 1/2	— %	18	100 1/2	99 1/2	100	— %				
103 1/2	96 1/2	Otto City 4 1/2 55	6	102 1/2	101 1/2	102 1/2	+ 1 1/2	32	27 Rhine Westph 7a 50	1	27 1/2	27 1/2	27 1/2	+ 1 1/2	5	75	77	78	+ 1 1/2				
104 1/2	88	PANAMA 5 1/2 53	1 1/2	3	101	101	101	+ 1	32	27 Rhine Westph 6a 52	1	28	28	28	+ 1 1/2	50	49 1/2	49 1/2	51	+ 1 1/2			
104 1/2	32	Panama 5a 63 A st and	1 1/2	26	51	47 1/2	49	— 1	32	27 Rhine Westph 6a 53	1	28	27 1/2	27 1/2	+ 1 1/2	50	53 1/2	51 1/2	51 1/2	+ 1 1/2			
104 1/2	75	Par-Ori B E 5 1/2 63	1 1/2	161	100 1/2	100 1/2	100 1/2	+ 1 1/2	12	6 Rio de Jan 6a 46	1	16	16	16	+ 1 1/2	2	46	46	46	+ 1 1/2			
104 1/2	54	Pernambuco 7a 47	1 1/2	18	6 1/2	6 1/2	6 1/2	+ 1 1/2	104 1/2	5 Rio de Jan 6a 53	1	6	7	7	+ 1 1/2	52 1/2	37	Taiwan City 5 1/2 61	1	46	46	46	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	7 Rio Gr do Sul 7a 46	1	17	17	17	+ 1 1/2	63 1/2	40	Tokyo El Lt 6a 53	1	54 1/2	54 1/2	54 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	8 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	98 1/2	76	Taiwan El F 7a 52	1	26	26	26	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	10 Rio Gr do Sul 7a 66	1	17	17	17	+ 1 1/2	87	59 1/2	UJIGA El F 7a 45	1	75	75	75	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	11 Rio Gr do Sul 7a 50	1	7 1/2	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 51 A	1	50	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	12 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 47 A	1	49 1/2	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	13 Rio Gr do Sul 7a 46	1	17	17	17	+ 1 1/2	54	38 1/2	Uruguay 5a 60	1	44 1/2	44 1/2	44 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	14 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	53 1/2	39	Uruguay 5a 41 1/2 79	1	37 1/2	37 1/2	37 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	15 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	50	38	Uruguay 5a 41 1/2 78	1	40 1/2	40 1/2	40 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	16 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	87	59 1/2	UJIGA El F 7a 45	1	75	75	75	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	17 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 51 A	1	50	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	18 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 47 A	1	49 1/2	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	19 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	54	38 1/2	Uruguay 5a 60	1	44 1/2	44 1/2	44 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	20 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	53 1/2	39	Uruguay 5a 41 1/2 79	1	37 1/2	37 1/2	37 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	21 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	38	Uruguay 5a 41 1/2 78	1	40 1/2	40 1/2	40 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	22 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	87	59 1/2	UJIGA El F 7a 45	1	75	75	75	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	23 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 51 A	1	50	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	24 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 47 A	1	49 1/2	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	25 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	54	38 1/2	Uruguay 5a 60	1	44 1/2	44 1/2	44 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	26 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	53 1/2	39	Uruguay 5a 41 1/2 79	1	37 1/2	37 1/2	37 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	27 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	38	Uruguay 5a 41 1/2 78	1	40 1/2	40 1/2	40 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	28 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	87	59 1/2	UJIGA El F 7a 45	1	75	75	75	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	29 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 51 A	1	50	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	30 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 47 A	1	49 1/2	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	31 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	54	38 1/2	Uruguay 5a 60	1	44 1/2	44 1/2	44 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	32 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	53 1/2	39	Uruguay 5a 41 1/2 79	1	37 1/2	37 1/2	37 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	33 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	38	Uruguay 5a 41 1/2 78	1	40 1/2	40 1/2	40 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	34 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	87	59 1/2	UJIGA El F 7a 45	1	75	75	75	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	35 Rio Gr do Sul 7a 50	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 51 A	1	50	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	36 Rio Gr do Sul 6a 68	1	6	7 1/2	7 1/2	+ 1 1/2	50	27 1/2	Un Shi Wk 6 1/2 47 A	1	49 1/2	49 1/2	49 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2	10 1/2	10 1/2	+ 1 1/2	104 1/2	37 Rio Gr do Sul 7a 53	1	6	7 1/2	7 1/2	+ 1 1/2	54	38 1/2	Uruguay 5a 60	1	44 1/2	44 1/2	44 1/2	+ 1 1/2
104 1/2	12	Pern 7a 47	1 1/2	11	10 1/2																		

## Transactions on the New York Curb Exchange—Continued

## Transactions on the New York Curb Exchange—Continued

Range 1938-39	Sales	Net	Range 1938-39	Sales	Net	Range 1938-39	Sales	Net	
High. Low.	In 1000s.	High. Low. Last. Chge.	High. Low.	In 1000s.	High. Low. Last. Chge.	High. Low.	In 1000s.	High. Low. Last. Chge.	
914 65	III Pow & L 54s 57	30 88% 87 88	1094 1054	Nor Ind G & E 6s 52	7 108 107% 107% - 1%	117 112	Unit El N J 4s 49	2 117 117 117 + 1%	
1034 85	III Pow & L 6s 53	65 103% 103% 103% + 1%	1065 924	Nor Ind Pub S 5s 69	11 106% 105% 106% + 1%	1 78	Unit L&P 6s 74	1 78 78 78 + 1%	
100% 79	III Pow & L 54s 54 B.	48 99% 99 99% ..	1069 93	Nor Ind Pb S 5s 66 C	17 106% 105% 105% - 1%	8 74	Unit L&P 6s 75	8 74 72% 72% - 2%	
100% 79	Ind El 6s 47	6 100% 100 100% ..	1041 864	Nor Ind P 8 4% 70 E	25 104% 104 104	5 106% 105% 105% - 1%	107 94	Unit L&P 54s 59	5 106% 105% 105% - 1%
101% 84	Ind El 6s 51 B.	8 101% 101 101% + 1%	99% 80%	Nor'west P 8 5s 57	25 99% 98% 99% + 1	33% 44	Unit L&Ry 6s 52	38 82% 82% 82% + 1%	
90 64	Ind El 5s 51 C	22 88% 88 88% + 1%	1084 102%	OGDEN GAS 5s 45	19 108 108 108 + 1%	113 96	Unit L&Ry 6s 52 A.	4 112% 112% 112% ..	
61% 48	Ind Svc 5s 52	12 97% 95 95% + 2%	1086 83	Okl Nat Gas 5s 46	7 103% 102% 102% - 1%	80 53%	Unit L&Ry 6s 73 A.	2 72 72 72 + 1	
84 49	Indianapolis Gas 5s 52	2 82 78 78 54	1086 98	Okl Nat Gas 4% 51 A.	19 106 105% 105% + 1%	87% 64	Unit P&L 6s 2022 A.	10 85% 84% 85% + 1%	
67% 46	Int P Sec 7s 57 E.	2 52% 52 52% ..	98% 66	Oklin P & Wat 5s 48	19 94 93% 93% + 1	94% 75	Unit P&L 4% 44	8 94 92% 94 + 1%	
65% 46	Int P Sec 6s 55 C.	10 49 49 49 - 3%	1031 100	PAC COAST POW 5s 40	16 101% 101% 101% - 1%	87 65	VIRG PUB S 6s 46	10 87 86 86% + 2%	
100% 107	Int Salt 5s 51	2 108% 107% 108% + 1%	118% 113%	Pac G & E 6s 41 B.	25 113% 113% 113% ..	95 75	Virg P S 5% 46 A.	36 92% 91% 91% - 1%	
46 134	Intern Pow 6s 52	49 42% 41 41% + 1%	94 79	Inv Inv 5 48 A.	6 92% 92 92 ..	89% 75	Virg P S 50 B.	22 88 87% 87% - 1%	
60% 35	Intern Pow 5s 57	47 59% 58 59 ..	82% 58	Pac P & L 5s 55	26 77% 76% 77 ..	26 124	WALDF-ANT S 5s 54	7 24 20% 20% 20% - 1%	
86 64	Intern P Sve 5s 56 D.	59 86 84 85% + 1%	34% 28	Parx Eng & L 5s 55	1 32% 32% 32% + 1%	109 106	Wash Ry & El 4s 51	1 108% 108% 108% + 1%	
89% 57%	Intern P Sve 4% 58	77 79% 78% 78% + 1%	104% 94%	Pen C & L 4% 77	146 94% 93 93 ..	108 99%	Wash Wash P 6s 60	22 106 105% 106 + 1%	
102% 91	Int-Neh L & E 5s 51 B.	14 101% 100% 100% - 1	101% 78	Pen Cen P 6s 71 F	100% 100% 100% ..	66% 32	West Newspl Un 6s 44	9 604 58 58 - 2%	
108 105	Int-Neh L & E 4% 58 A.	3 101 100 100 ..	99% 76	Pen Eng 6s 71 F	100% 99% 99 ..	105% 97	West P El 5s 2030	2 105 104% 105 + 1%	
105% 95%	Int Pub Svc 5s 57	24 105 104% 104% - 1%	102% 82	Pen-Oil Ed 6s 50	23 102% 101 101% ..	102 94	West P Tract 6s 60	15 112% 111% 111% + 1%	
53 36	Int Pub Svc 5s 63 A.	18 43% 41% 41% ..	96% 75	Pen-Oil Ed 5% 59	47 93% 93% 93% + 1%	105% 103	West Un Gas 5s 57 A.	102 101% 101% + 1%	
50 32	JACKSONY G 5s 42 st.	9 41 40 41 ..	1084 95	Pen Pub 8s 47 C	22 105 104% 104% - 1%	108 105%	Wis Min Gas 5s 55 A.	8 105 104% 105 + 1%	
100% 98%	Jer Cen P & L 4% 61 C.	27 109% 106% 106% + 1%	1082 104%	Pen Wat & P 5s 40	12 105% 105% 105% ..	102 88%	Wise P&L 4s 66 A.	71 101% 101% 101% + 1%	
100% 100	Jer Cen P & L 5s 47 B.	21 105% 105% 105% ..	94% 78	Pen Gas L & C 81 B	22 93% 92% 93 ..	105% 96	YADKIN RIV P 5s 41	18 104% 103% 104% + 1%	
103% 97	KAN EL PW 3% 66	5 103% 103% 103% + 1%	112% 110%	Phila El 5s 72	24 96% 95% 96% ..	94% 72	York Rys 5s 37	11 101% 101% 101% ..	
103% 95%	Kan Pow 5s 47 A.	10 102% 102% 102% ..	79 65	Phila Pub Tr 6s 62	6 78% 77% 78% ..	105% 96	York Rys 5s 47 st.	22 92 90 92 ..	
104% 84%	Kan Util 5s 52	14 104% 104% 104% + 2%	100 86	Pitts Steel 6s 48	5 98% 98% 98 ..	14% 6%	CAUCA VAL 7s 48	10 14% 13% 13% + 1%	
95 85	Kan Util 5s 55 F.	20 98 96% 98% + 2%	72% 48	Portland G & C 50 40	66 72% 67% 70% + 4%	17% 12%	Chile Mitk Bk 6s 31	1 15% 15% 15% + 1%	
93% 85	Ky Util 5s 59 I.	143 93% 91 93% + 2%	103% 105%	Potomac Ed 5s 56 E	12 107% 107% 107% ..	100% 87%	Cuban Tel 7% 41 A.	3 98 96% 98 + 1%	
94 66	Ky Util 5s 61 H.	83 94 90% 93% + 2%	65 23	Potomac Sug 7s 47 st.	4 40 40 41 + 1%	26% 20	AGRI MTG BK 7s 47	2 26% 26 26 ..	
101% 93	LAKE S D P 3% 66 A.	23 101% 101 101% + 1%	104% 98%	Pow Cor Can 4% 50 B	2 101% 101% 101% ..	25% 21	BOGOTA M BK 7s 47 M.	1 25% 25% 25% ..	
108% 84	Lehigh P S 6s 2020 A.	84 108% 108 108% + 1%	150 130	Pub S N J 6 ct.	21 150 148 149% + 1%	14% 6%	CAUCA VAL 7s 48	10 14% 13% 13% + 1%	
101 84	Lex Util 5s 52	11 100% 100% 100% ..	82% 60%	Pub S P 5s 58	8 107% 106% 107 ..	17% 12%	Chile Mitk Bk 6s 31	1 15% 15% 15% + 1%	
105 101	Lid Mc N & L 5s 42	8 100% 100% 100% ..	78 59	Pub Sd P & Ls 50 C.	45 75% 74 74 ..	100% 87%	Cuban Tel 7% 41 A.	3 98 96% 98 + 1%	
100 76	Long Isl Lt 6s 45	25 98 93 95 + 2%	77% 53	Pub Sd P & L 4% 50 D.	28 73% 70% 70% - 2%	26% 20	AGRI MTG BK 7s 47	2 26% 26 26 ..	
107 100	Long Isl Lt 6s 37	18 106% 106% 106% ..	93% 63%	QUEENS BOB G 5% 52	23 76 69% 76 + 8	102 96%	DANISH CON 5% 55	23 100 99% 99% - 1%	
100 67%	MEMPHIS P & L 5s 48	67 96 92 94% + 3%	110% 108%	SAFE HA W 4% 78	14 109 108% 109 ..	100% 95%	Danish Con 5% 55	1 95 95 95 ..	
93 70	Mengel Co 4% 47	1 88% 89 89 ..	103% 97	SAFE L Gas & C 6s 47	1 16% 16% 16% + 1%	102% 95%	Den Mg Bk 6s 72	4 96 95 95% - 2%	
100% 100	Metro Ed 4s 71	2 106% 106% 106% ..	103% 96%	Scriptor 5% 43	1 31% 31% 31% + 1%	105 98	FIN R M BK 5s 61 st.	4 103% 102% 102% ..	
100% 94%	Metro Ed 4s 85 G.	13 108% 107% 107% - 1%	71 38%	Scullin 5% 31	1 10% 10% 10% ..	24 18	GER C MUN 7s 47	2 18 18 18 - 1%	
64% 50	Midland Val 5s 43	60% 60% 60% ..	106% 100	Shaw W & P 4% 67 A	27 104% 104% 104% ..	59 47	GUAN & WES 6s 58	11 53 47 47% - 5%	
86% 75%	Mid Sd P 6s 46 A.	35 98% 97 97 ..	106% 100	Shaw W & P 4% 68 B	19 104% 104% 104% ..	22% 18	HANOVER S 6s 49	1 18% 18% 18% + 1%	
100% 85	Minn Min L 5% 67	49 98% 98% 98% + 1%	106% 100	Shaw W & P 4% 70 D	11 104% 104% 104% ..	25% 18	Hanover City 7s 30	7 20 19 19 ..	
105 77%	Minn Min L 5% 78	144 100% 99% 99% ..	56% 35%	Stand Ind 5% 51	3 104% 104% 104% ..	63% 40	ISARCO HY EL 7s 52	5 52% 52 52 + 2	
92 70	Minn P & L Co 55	74 90% 88% 88% - 1	77 53%	Stand Wye 6s 47	7 77 77 77 + 3	28% 24%	MSFELD M&S 7s 41	2 28% 28% 28% + 1%	
86% 61%	Miss Pow 5s 55	84 81% 83 84% + 3%	95 87%	St E P & L 6s 2025 A	76 95% 95% 95% + 2%	10% 10%	PARANA BRAZ 7s 58	13 9 9 + 1	
110% 107%	Miss Riv P 5s 51	11 108% 108% 108% ..	107 101%	St E P & L 6s 57 A	17 86 84 84 ..	61 40	Pied El 6s 60 A	1 51 49% 51 + 1	
78 53	Mob Pub 6s 60	53 75 73% 75 + 1%	109% 102%	St Cal Ed 3% 60 B	27 109% 109% 109% ..	22 18%	Pomerania 6s 53	1 19 19 19 ..	
101 86	Mont-Dak P 6s 44	5 101 100% 100% ..	109% 102%	St Cal Ed 4% 60	20 109% 109% 109% ..	10% 10%	RIO DE JANEIRO 6s 50	3 6% 6% 6% - 1%	
54% 30	Munson S 37 ct.	1 2 2 2	111% 106%	St Ind 5% 51	30 111% 111% 111% ..	32% 25%	Russian 6s 1919	1 5 33% 33% 33% + 1%	
95 72%	NASSAU & SUF 5s 45	3 79 79 79 + 2	103% 85	Southwest A Tel 5s 61 A	8 103% 103% 103% ..	16% 11%	Russian 6s 1921	6 1% 1% 1% + 1%	
100 62%	Nat F & L 6s 2020 A.	51 100 98% 99% + 1%	103% 85	Southwest A Tel 5s 61 A	3 104 103% 104% ..	10% 10%	SANTIAGO CHILE 7s 49	1 14 14 14 + 1%	
95 58%	Nat F & L 5s 52	232 95 93% 94% ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	32% 30%	Stones 40 40 40 40 40 ..	8 50 49 50 + 2	
44% 35%	Nat Pub S 6s 78 ct.	3 36% 35% 35% - 1	103% 85	Southwest A Tel 5s 61 A	8 105% 105% 105% ..	55% 36%	Stones 45 45 45 45 45 ..	8 50 49 50 + 2	
120% 111	Nehr Pow 6s 6 A 2022	11 116% 116 116 ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	61% 42%	TERNI ELEC 6% 53	18 53% 50 52% + 2%	
110% 107%	Nehr Pow 4% 51	37 108% 107% 107% ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	63% 42%	UNIT EL SVC 7s 56	2 52 52 52 + 1	
100% 94%	Neiman Bros 6s 48	12 97% 96% 96% ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	22% 24	Unit Ind 6% 41	27 27 27 27 + 1/4	
85% 68%	Nebraska P 5s 56	58 80% 80% 80% ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	100% 94%	W matured bonds, securities impaired pending investigation. In bankruptcy or receivership or being reorganized under Bankruptcy Act or securities assumed by such companies. Bonds so marked are fully listed on the Curb Exchange. All others are dealt in on an unlisted trading basis, or under rule. W with warrants. xW without warrants.	Warrants.	
60 59%	Nebraska P & E 50	52 56% 55 55 ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	100% 94%	W matured bonds, securities impaired pending investigation. In bankruptcy or receivership or being reorganized under Bankruptcy Act or securities assumed by such companies. Bonds so marked are fully listed on the Curb Exchange. All others are dealt in on an unlisted trading basis, or under rule. W with warrants. xW without warrants.	Warrants.	
59% 54%	Nebraska P & E 54	25 56% 55 55 ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	100% 94%	W matured bonds, securities impaired pending investigation. In bankruptcy or receivership or being reorganized under Bankruptcy Act or securities assumed by such companies. Bonds so marked are fully listed on the Curb Exchange. All others are dealt in on an unlisted trading basis, or under rule. W with warrants. xW without warrants.	Warrants.	
61% 40%	Nebraska P & E 47	49 57% 55 55 ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	100% 94%	W matured bonds, securities impaired pending investigation. In bankruptcy or receivership or being reorganized under Bankruptcy Act or securities assumed by such companies. Bonds so marked are fully listed on the Curb Exchange. All others are dealt in on an unlisted trading basis, or under rule. W with warrants. xW without warrants.	Warrants.	
96% 74%	Ne Eng Pow 5% 54	66 96% 95% 95% ..	103% 85	Southwest A Tel 5s 61 A	10 84% 84% 84% + 1%	100% 94%	W matured bonds, securities impaired pending investigation. In bankruptcy or receivership or being reorganized under Bankruptcy Act or securities assumed by such companies. Bonds so marked are fully		

Week Ended

## Transactions on Out-of-Town Markets

Saturday, Jan. 14

TEL. BARTLEY 7-4380

TWX CALL NY-1-579

**DEAN WITTER & Co.**

14 WALL STREET, NEW YORK

MEMBERS: NEW YORK STOCK EXCHANGE - SAN FRANCISCO STOCK EXCHANGE

DIRECT PRIVATE WIRES

SAN FRANCISCO PORTLAND HONOLULU SEATTLE LOS ANGELES

## San Francisco Stock Exchange

Quotations are for week ended Friday, as prepared by the Exchange.

## STOCKS

Sales. High. Low. Last.

835 Alaska Jun. 10 97 97

840 AngloCaInCo 186 46 46

1,385 Am Int'l Fin. 4% 4% 4%

220 Atlass Int'l 7 7 7

220 Byron Jekan 174 17 174

688 Calumet Sq. 184 184 184

10 CalArTiteCo 113 113 113

190 CalComLns 124 124 124

500 Calif-Ear M. 25 25 25

1,002 Calif Packg 175 17 17

180 Cal Pkgs pf 494 49 49

16 Cal Wtrg pf 98 98 98

1,389 CranzelBir 14 14 14

1,389 CranzelBir pf 81 81 81

600 Corp Trac 454 454 454

2,325 CentKur Min. 3% 3% 3%

1,300 CentEur pf 3% 3% 3%

10 CattCnG&amp;E 1st pf .0584 105% 105%

952 Conchinda 175 17 17

1,389 CranzelBir 14 14 14

1,389 CranzelBir pf 81 81 81

145 FircmFndIn 81 82 82

250 Gen Metals 9% 9% 9%

1,941 Genl Mtrs. 45 45 45

331 Genl Paint 82 82 82

150 Glad McBn 87 87 87

979 Gold Min. 6% 6% 6%

300 HaleBrStor 13% 13% 13%

252 HawaianPn 19 19 19

6,000 HollyDevel. 1,20 1,15 1,15

30 HomeP&amp;M 39 39 39

494 Homoludges 16 16 16

322 HuntBrg pf. 1.60 1.50 1.60

545 Langford A. 16% 15% 15%

240 Langford B. 9% 8% 8%

70 Langford pf 40 38% 58%

140 Leslie Salt. 40% 40% 40%

716 LeTourneau 30 28 28

3,723 Lckheadair 32% 29 30%

100 Magnavox .67 .67 .67

375 Magnin .13% 13% 13%

1,080 Meier&amp;Fink 9% 9% 9%

4,369 Menas Mfg. 5% 4% 4%

1,480 NatAutoFlb 8% 7% 7%

50% Nat'l Inv. 10% 10% 10%

20 N Corp pf .30 .30 .30

200 N Am Oil C 11% 11% 11%

30 OccidentIns. 24% 24% 24%

180 PacCanCo. 9 9 9

636 PacCanAg 2.35 2.25 2.25

2,430 PacG&amp;E 29% 28% 28%

3,455 PacE&amp;Co 6% 1st pf 32% 32 32

1,160 PacE&amp;Co 5% 1st pf 29% 28% 28%

920 PacLight. 44% 42% 43%

50 PacLd&amp;Dlv 108 105% 105%

1,154 PacLd&amp;Srv. 1% 1% 1%

615 PacLd&amp;Srv. 21% 21% 21%

150 Pac-T 123 123 123

220 Parafine Co 59% 59% 59%

100 Pig-NWh pf 1.90 1.90 1.90

200 PugsNpD&amp;T 6% 6% 6%

418 Rayon Incor 15 14% 15

250 Rayon Incor 20 20 20

625 RefinPetro 3% 3% 3%

20 R. F. P. 37% 37% 37%

725 Rheem Mfg. 14% 13% 13%

5,012 RichfieldOil 14 14 14

200 Ross Bros. 14 14 14

20 R B pf serA100 100 100

7,631 Ryn Astro. 6% 6% 6%

100 SignlO&amp;G 32 32 32

820 Sndw Bldg 19 19 19

30 SndvPulp pf 96 96 96

90 SndvPulp pf 96 96 96

1 P. &amp; A. 32% 32% 32%

2,010 So. Pacific 26 26 26

799 SoPGHdG A. 35 25 25

311 SoPGHdG B. 0% 0% 0%

4,428 Standard 27% 27% 27%

180 Sup MoldCp 22 22 22

836 Sperry Corp 44% 42% 42%

500 ThomasAla 85 75 75

50 TideWAO pf 95 94 95

20,323 Transamer. 7% 7% 7%

2,700 Treadwulf .50 .50 .50

3,903 Union Oli. 18% 18% 18%

120 Union Sugar 5% 4% 4%

845 Univ ConOil 15% 14% 15%

230 Victor Eng. 4% 3% 3%

535 Vict Eng. pf. 8% 8% 8%

200 Walmaline 25 26 26

10 Wf BAU 289 289 289

40 Yel Ch Cab 29% 29% 29%

500 YosemitPpf 4 4 4

UNLISTED STOCKS

842 A Smeltl&amp;R. 151 149% 149%

1,800 ATollBr(D). 48 .48 .48

50 Anglo Nat A. 11 11 11

400 Aviation &amp; T. 3% 3% 3%

758 Bancamer-B 3% 3% 3%

3 Bendix A. 26% 26% 26%

300 ColumbaRP 4 4 4

1,209 Consol Oil. 94 94 94

498 Curtiss-W. 6% 6% 6%

660 DominguezO 37% 36% 36%

623 General El. 40% 40% 40%

151 HobbsBldg. 30 .30 .30

711 Holly Oli. 27.5 26.5 27.5

610 Idaho M. M. 7 7 7

765 ItalCoPfCoA. 37 35 35

950 ItalCoPfCoA. 2.50 2.35 2.35

220 KennCopper 40% 40% 40%

300 Kleiberg. 0.05 .05 .05

10 MarineBanc 214 214 214

3,200 MJM&amp;MC. 16 16 16

710 MountainCC 8% 5% 5%

10 Ohio Sugar 204 204 204

40 PacificCpf 45 45 45

350 RadioCpfA. 7% 7% 7%

5,259 Jeff L Oli. 414 414 414

412 Jeff L Oli pf 7% 6% 6%

11 N O Pub. 6% 6% 6%

5 N O Pub

Srv pf. 98 95 96

290 Pac. Amer. Life Ins. 15 14% 14%

100 Warren Ref. pf. 1% 1% 1%

50 W R Inv C pf. 67% 67% 67%

618 St Fruit pf A ... 6% 6% 6%

pf A ... 6% 6% 6%

CURB STOCKS

Sales. High. Low. Last.

8 C. A. Kaufman Co. L 12 12 12

CURB STOCKS

Sales. High. Low. Last.

5,259 Jeff L Oli. 414 414 414

412 Jeff L Oli pf 7% 6% 6%

11 N O Pub. 6% 6% 6%

5 N O Pub

Srv pf. 98 95 96

290 Pac. Amer. Life Ins. 15 14% 14%

100 Warren Ref. pf. 67% 67% 67%

145 Young S&amp;T 51% 47% 50

pf A ... 6% 6% 6%

pf A ...

# OPEN MARKET FOR UNLISTED SECURITIES

These quotations are for bankers, brokers and dealers and are accepted for publication as actual markets. The number at the left of a quotation identifies it with the name of the firm in the index making the market. Prices are as of close of business on Saturday.

## FOREIGN SECURITIES

Key.	Bld. Offer.
Argentina unf 4%, 1997...	83 87
Belgian Prem 5s, '20...	35 ..
Belgian Rest 5s, '19...	34 ..
Benigno Crepi 7s, '56...	42 46
Bolivia 7s...	3% 4%
Brazil 4s, 1889...	5 8
Brazil 4s, 1883...	5 8
Brazil 5s, 1983...	5 8
Brazil Fund 5s, 1951...	14% 15%
Brazil 4s, 1910...	5 8
British Internal Issues, OW...	BW
British Cons 2 1/2s, parp...	64% 66%
British Fdg 4s, Mar. '19...	100 102
British Gov Cons 3 1/2s...	90 92%
British Vic 4s, Sept. '19...	99 101
Buenos Aires 4s, 1915-60...	53
Buenos Aires 4s 1915-60...	49 53
Buenos Aires 4s 1915-60...	(510 pieces) 40
Cauca Valley 7s, 1946...	15 15%
Chile all issues...	BW
Colombia Govt...	BW
Costa Rica, all issues...	BW
Costa Rica 5s, 1911...	17% 19%
Cuban Dollar and Internal Issues...	BW
Finland 4s, 1935-60...	20 21 1/2
French 4s, 1917...	21% 23%
French 4s, 1832 A...	22 24
French 5s, 1920...	28 30
Italian conv in 5s...	28 30
German Funding 3s, 1946...	31% 33
German Gold Bonds...	BW
German Dollar Bonds...	BW
German Internal Bonds...	BW
Italian Cons 3 1/2s, 1934...	19 21
Jugoslavia Funding 5s, '56...	53% 54%
Polish Dollar and Internal Issues...	BW
Santa Fe 7s, 1942...	62 ..
Serv. 7s 8s...	BW
U.Sov. Gov. 7s, '43...	49 91.09
Spanish Internal Issues...	BW
Tokyo Stg 5 1/2s, 1960...	38 ..
Uruguay 5s, 1919...	40 44

\*Payable in currencies of issuing countries.

\*\*In dollars per 100 gold rubles.

## CANADIAN SECURITIES

### PROVINCIAL ISSUES:

Principal and interest payable in United States funds:	Bid. Offer.
Alberta 4 1/2s, 1956...	57 59
Alberta 5s, 1943...	60 62
Brit Columbia 4 1/2s, 1953...	94 98
Brit Columbia 5s, 1954...	99 101
Manitoba 4s, 1957...	79 81
Manitoba 4s, 1960...	82 85
New Brunswick 5s, 1960...	108/4 110/4
Nova Scotia 4 1/2s, 1952...	108 110
Ontario 4s, 1966...	108/4 111
Ontario 4 1/2s, 1951...	111 114
Ontario 4s, 1958...	123 ..
Quebec 4s, 1958...	108 110
Quebec 4 1/2s, 1958...	111 113
Saskatchewan 4 1/2s, 1960...	63 67
Saskatchewan 5s, 1959...	70 72

\*Interest payment reduced one-half, effective June 1, 1936.

## U. S. GOVERNMENT AND MUNICIPAL BONDS

### KANSAS:

Arkansas Rtg Rd Dist 3s	1/1/49	81 82 1/4
Arkansas Hwy 5s...	92 1/2	94

### FEDERAL LAND BANK BONDS

### 4s, July, 1946-47

### 5 1/2s, May, 1956-45

### 5s, July, 1956-45

### 5s, Jan., 1956-46

### 5s, May, 1956-48

### 105% 105% 105% 105%

### JONATH STOCK LAND BANK BONDS

### Atlanta 3s, 1942-39...

### Atlanta 3s, 1941-38...

### Burlington 5s, 1934-54...

### Central 11 1/2s, 1937-57...

### Chicago 4 1/2s, 1941-51...

### Chicago 5s, 1938-52...

### Chicago 5s, 1941-51...

### Dallas 3s, 1942-40...

### Denver 3s, 1945-41...

### First Car 5s, 1932-52...

### First Ft Wayne 4 1/2s, 1958-100

### First Mfg 3 1/2s, 1945-42 98

### First Orte 5s, 1932-52...

### First Tr 3 1/2s, 1937-67...

### First Tr Ch 4 1/2s, 1939-50 100

### First Tr Ch 4 1/2s, 1939-50 100

### Fletcher 3 1/2s, 1940-51...

### Fremont 5 1/2s, 1931-51...

### Fremont 5s, 1933-53...

### Fremont 4 1/2s, 1934-50...

### Geno 4 1/2s, 1934-54...

### Ill Midw 5s, 1934-54...

### Iowa 4 1/2s, 1936-56...

### Lafayette 5s, 1931-51...

### Lafayette 4 1/2s, 1938-58...

### Lincoln 4 1/2s, 1937-67...

### Lincoln 5 1/2s, 1931-51...

### Lincoln 5s, 1938-51...

### No. Carol 4 1/2s, 1936-56...

### No. Carol 3s, 1934-38...

### Ohio-Penn 5s, 1934-54...

### One-Wash 5s, 1933-53...

### Pac Coast Port 5s, 1938-58 100

### Penn 3 1/2s, 1939-42...

### Phoenix 5s...

### Potomac 3s, 1941-38...

### Potomac 3s, 1941-38...

### St. Louis 3s, 1934-54...

### St. Louis 3s, 1934-54...

### St. Louis 3s, 1944-40...

8 10.30